Chapter IV

EFFECT OF CHARTER PARTY TERMS ON THIRD PARTY BILL OF LADING HOLDERS

329. Many standard voyage charter party forms are recommended for use with standard bill of lading forms. Thus, for example the "Congenbill" bill of lading form is recommended for use with the "Gencon" charter party and the North American Grain Bill of Lading is recommended for use with the "Norgrain" charter. The reason for the coupling of bill of lading forms and charter party forms is that the bills of lading incorporate terms of the charter party. So in the case of the Congenbill, the bill of lading states on its face "Freight payable as per charter party dated ... " and clause 1 on the reverse side of the bill provides: " All terms and conditions, liberties and exceptions of the charter party, dated as overleaf, are herewith incorporated."

330. The intention of this clause is to make the terms of the charter party applicable, insofar as possible, to parties interested in the cargo who are not the charterers - namely shippers of cargo, who are not the charterers and endorsees of the bill of lading, whether receivers of cargo, bankers or others. Since copies of the charter party do not usually accompany so-called charter party bills of lading when the shipping documents are negotiated or transferred, bankers sometimes may not accept charter party bills of lading. But the endorsee of a charter party bill of lading is bound by the terms of a charter party incorporated by reference into the bill of lading, even though he has not seen the charter party. 474/ Charter party bills of lading are nevertheless in common use, particularly in the trades for which standard form charter party bills of lading are recommended, such as the grain, ore, wood, nitrates, oil and chemical trades. Standard form charter party bills of lading are also recommended for use with the general charter parties Nuvoy, Britcont and Scancon, as well as with the Gencon.

331. Even if the charter party is available to the endorsee of the bill of lading for reference, it will not be easy for such a third party to determine which of the various terms are incorporated in the bill of lading, without legal advice. It is now established in English law that clauses in bills of lading incorporating "all conditions" or "all terms" of a charter party will never be effective to incorporate an arbitration clause in the charter party into the bill of lading. 475/ Hence a number of standard form charter party bills of lading in addition to incorporating all "terms, conditions, liberties and exceptions" specifically include a reference to the charter party arbitration clause. The Grainvoybill, Biscoilbill, Bimchemvoy and Orevoybill are examples of such bills of lading. If the bill of lading refers in general terms to the arbitration clause of the charter party, without reference to the number of the clause, the English Courts will usually regard it as sufficient. 476/ But it seems that in some civil law countries the Courts will not recognize a reference to an arbitration clause in a bill of lading unless the bill is signed by both parties.

332. It might be thought therefore that if an incorporating clause did not make any reference to the charter arbitration clause, it would necessarily be inapplicable to the bill of lading. But this is not always the case. In The Merak, 477/ it was held by the Court of Appeal that a clause in a bill of lading providing that "all terms, conditions, clauses..."

474/ Finska Cellulosa v. Westfield Paper (1941) 46 Com. Cas. 87.

475/ See Thomas v Portsea Steaming Co (1912) A.C.1; and Skips A/S Nordheim v. Syrian Petroleum (The Varenna) (1983) 2 Lloyd's Rep.1 592 and Federal Bulk Carriers v. C. Itoh and Co (The Federal Bulker) (1989) 1 Lloyd's Rep. 103.

476/ See The Renak (1978) Q.B. 377.

477/ (1965) P.223.

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of a charter party were to be incorporated into the bill of lading was effective to incorporate a charter arbitration clause which, in turn, referred to bill of lading disputes. The charter clause read:" Any dispute arising out of this charter or any bill of lading issued hereunder shall be referred to arbitration."

333. In The Annefield 478/ on the other hand, the Courts refused to incorporate a Centrocon arbitration clause which referred to " All disputes from time to time arising out of this contract ..." and where the Centrocon form bill of lading incorporated "all the terms" of the charter party "including the negligence clause." Mr. Justice Brandon, whose judgment was affirmed by the Court of Appeal said:

> "In this case, it seems to me that one has to ask oneself what an ordinary businessman, having both documents before him, would think with regard to the applicability of the arbitration clause in the charter party to bill of lading disputes ... It seems to me that the hypothetical businessman would, or might, be left in doubt on the matter, and it seems to me that the reason why he would or might be left in doubt on this matter is that no specific words to show the intention clearly are used."

334. The Court in The Federal Bulker, (supra) reached a similar conclusion on the interpretation of the Baltimore Form C bill of lading and charter party.

335. In reaching that conclusion in The Federal Bulker, the Court of Appeal, considering themselves bound by previous authority, affirmed principles that surely no "ordinary businessman" looking at a bill of lading and charter party together, and the relevant clauses in them, could possibly regard as sensible. The Baltimore form C Berth Grain bill of lading contained the clause: "All terms, conditions and exemptions as per charter party dated .... to be considered as fully incorporated herein as if fully written." The arbitration clause of the Baltimore Form C charter provided that: "All disputes from time to time arising out of this contract ..." should be referred to arbitration. The Court of Appeal held that on a true reading of the decision of the House of Lords in the case of Thomas v. Portsea Steamship Co. 479/ the incorporating words in the bill of lading "All terms, conditions and exeptions..." were not sufficient to incorporate an arbitration clause from a charter party, however the arbitration clause in the charter might be worded. But the Court acknowledged that the effect of the earlier decision of the Court of Appeal in The Merak, supra, was that if the word "clauses" was included in the incorporating words in the bill of lading instead of or in addition to "terms" or "conditions", the incorporating clause would prima facie be wide enough to incorporate an aptly worded arbitration clause from the charter party. Lord Justice Bingham said:

> "The Merak was perhaps an unusual case as Lord Justice Phillimore in The Annefield described it ... But it is authority for the proposition that reference to "clauses" is enough at this first stage to permit incorporation of an aptly drafted arbitration clause. [Counsel for the cargo receivers], understandably and strongly relies on this decision and contends that it is offensive to commonsense if a reference to "clauses" is sufficient to incorporate an arbitration clause, but a reference to "terms" is not.
> I have some sympathy with that submission but, as it seems to me, that is where, reading Thomas v. Portsea and The Merak together, the line has been drawn. I do not think it is open to us, nor do I think,it in all the circumstances desirable, that we should give to the expression "terms" a meaning which Thomas v. Portsea denied."

478/ (1971) P.168, 177.
479/ (1912) A.C.1.

336. So it seems that as English law now stands, a third party bill of lading holder looking at a charter party bill of lading referring to the incorporation of all "terms and conditions" of a charter party, might be able to assume that - if the bill were governed by English law (which he may not, in any event, be able to determine without seeing the charter party) - he will not be bound by an arbitration clause in the charter party. But if the incorporation clause also refers to "clauses" of the charter, he might be bound by an arbitration clause, although not necessarily so.

337. As has been indicated, the position is further complicated by considerations of the applicable law. It will probably not be possible for the third party bill of lading holder to determine the law which governs the bill of lading without seeing the charter party and taking legal advice. (The question of what is the applicable law is dealt with below). If the applicable law is that of the United States, it seems that different principles to the English law principles will apply. In Son Shipping v. De Fosse and Tanghe, 480/ the 2nd Circuit) Court of Appeals had to consider the effect of a bill of lading clause reading as follows:

> "This shipment is carried under and pursuant to the terms of the charter dated ... and all the terms whatsoever of the said charter except the rate and payment of freight specified therein apply to and govern the rights of the parties concerned in this shipment".

338. It was held that this clause effectively incorporated a charter arbitration clause so as to bind the bill of lading holders.

339. Apart from arbitration clauses it is not a straightforward matter to determine what other provisions of the charter party are incorporated into a bill of lading by the incorporating words used. The incorporation of only "other conditions" of a charter party apart from payment of freight is not effective to bring charter party exceptions clauses into the bill of lading. 481/ Such an incorporation clause will only introduce conditions which would apply directly to the party taking delivery of the cargo. 482/ It would not incorporate a cesser clause. 483/ Nor would such words incorporate a conclusive evidence clause in a charter party. 484/ But they would be effective to incorporate lien clauses (see below) and provisions for demurrage at the discharging port. 485/

340. On the other hand, references to "terms" of the charter party may have a wider effect, particularly if combined with the form of words common in many modern charter parties "all terms, conditions, liberties and exceptions". Mr. Justice Goff in Garbis Maritime Corporation v. Philippine National Oil Co ("The Garbis") 486/ stated that it was well established that general words of incorporation may be effective to incorporate charter terms "which are relevant to the shipment, carriage and discharge of the cargo and payment of freight, provided of course that the terms of the charter party are consistent with the terms of bill of lading." In The Garbis case however, the bill of lading provided that "all terms whatsoever" (emphasis added) of the charter

480/ 199 F.2d 687, 1952 AMC 1931 (2d Cir. 1952).
481/ Russell v. Niemann (1864) 34 L.J.C.P.10.
482/ The Northumbria (1906) p.292.
483/ Gullischen v. Stewart (1884) 13 Q.B.D. 317.
484/ Hogarth Shipping v. Blythe (1917) 2 K.B 534.
485/ Gullischen v. Stewart, supra.
486/ (1982) Lloyd's Ref. 284.

party, except rate and payment of freight, were to be incorporated and these words were held to be sufficiently wide to incorporate a clause relating to the loading of the cargo, and not merely to the carriage and delivery of the cargo.

341. It follows that charter party terms relating to the loading, stowing and discharge of cargo may have a profound effect upon third party holders of charter party bills of lading (even if the bill of lading is subject to the Hague and Hague-Visby Rules) where the words in the bill of lading incorporating the charter are widely framed. If the incorporating words in the bill of lading are sufficiently widely framed the third party bill of lading holder may find for example that he is unable to claim against the shipowner under the bill of lading for damage to cargo caused in the course of loading or stowing the cargo. This would be so if the charter party contained terms removing from the shipowner the responsibility for loading and stowing. These terms, if there was a wide incorporating clause, would be read as part of the bill of lading contract. They would not be nullified by the requirements of Article II, Rule 2 of the Hague Rules that "the carrier shall properly and carefully load, handle, stow, carry, keep, care for and discharge the good carried" because according to English law those words do not define the scope of the contract service but the terms upon which the agreed service is to be performed. 487/

342. In regard to loading, stowage or discharging, the Hague Rules, on these authorities, only impose obligations if the shipowner has contractually undertaken to perform those obligations. If under the terms of a charter party the shipowner is relieved to that extent of the obligations of performance, the shipowner will also be relieved of responsibility for loading, stowing or discharging as against a third party bill of lading holder, always providing that the bill of lading and charter contain sufficiently widely drawn clauses. This will be so even if the bill is subject to the Hague or Hague-Visby Rules; and even if the third party bill of lading holder has neither seen the charter party referred to, nor has any advance notice of the relevant charter party clauses.

343. Other charter party clauses which may affect a third party bill of lading holder particularly are law clauses, laytime and demurrage clauses and lien clauses.

344. So far as Law clauses are concerned - by which is meant clauses determining the law which is to govern the contract - some standard form charter party bills of lading expressly incorporate into the bill of lading the Law clause in the "matching" charter party. Thus, the Bimchemvoybill liquid chemical bill of lading, provides that "All terms and conditions, liberties and exceptions of the charter party dated as overleaf, including the War Risks clause (clause 36) and the Law and Arbitration Clause (clause 39) are hereby expressly incorporated". Clause 39 of the Bimchemvoybill charter party provides for the application of English Law, US Law or any other law according to the option exercised by the parties to the charter as indicated in the appropriate "Box" on the first page of the charter. Law clauses are also expressly incorporated into the Biscoilvoy bill of lading (vegitable oil) and the Orevoybill.

487/ Per Devlin J. in Pyrene v. Scindia Navigation Co. (1954) 2 Q.B. 402 at pp. 417 and 418, affirmed by the House of Lords in G.H. Renton & Co. v. Palmyra Trading Corp.of Panama (1957) A.C. 149.

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345. The law which is to govern a bill of lading may, however, be dictated by the charter party even in the absence of a specific reference in the bill of lading to a Law clause in the charter party. "Where a bill of lading incorporates various clauses of a charter party, the law of the latter will generally govern the former both on the grounds of the presumed intention of the parties and of business convenience". 488/ In The Njegos case, goods were shipped in the Argentina under a charter party made in England containing a London Arbitration clause. The goods were shipped on a Yugoslavian ship for carriage to Norway and Denmark. In an action in England by holders of the bills of lading which incorporated conditions of the charter, it was held that although the London arbitration clause was not incorporated into the bill, the bill of lading was to be treated as governed by the same law as governed charter from which the clause were incorporated.

346. Laytime and demurrage clauses relating to the port of discharge will be incorporated into bills of lading by even a narrow incorporation clause. Laytime and demurrage clauses relating to the loading port as well as the discharging port may also be incorporated so far as to make the bill of lading holder personally liable for demurrage accrued at the loading port if sufficiently wide words of incorporation are used in the bill of lading and if the charter party clause can be construed as clearly imposing a liability on the consignee, as well as on the charterer, to pay the demurrage due. 489/ But a charter party clause requiring "the charterer" to pay loading port demurrage will not be construed as referring to "the consignee", so as to make the consignee personally liable for loading port demurrage, even if the bill of lading incorporates "all the terms whatever" of the charter. 490/

347. The effect of a lien clause in a charter party may be even more burdensome to third party bill of lading holders, because it may in effect force the bill of lading holder to pay amounts incurred in respect of the goods for which he has no personal liability and before he acquired any interest in them. A bill of lading holder may not, for example, be contractually liable under his purchase contract to pay demurrage incurred at the loading port, but a lien upon cargo for loading port as well as discharging port demurrage will be effectively incorporated into a bill of lading referring merely to "other conditions as per charter", 491/ so that the consignee may have to pay such amounts in order to obtain release of his goods from lien, even though he may have no personal liability for the demurrage. 492/ For the same reasons a third party bill of lading holder may have to discharge a lien for deadfreight which will also be incorporated into a bill of lading from a charter party by a general reference to "other conditions as per charter". 493/

348. A linked problem to the problem of the effect on third party bill of lading holders of charter party clauses is the difficulty not infrequently encountered of identifying which charter party is to be incorporated into the bill of lading.

488/ Scrutton on Charter Parties, op.cit., p.12, citing The Njegos (1936) P.90.
489/ Gray v. Carr (1871) L.R 6 Q.B. 522, Porteus v. Watney (1878) 3 Q.B.D 534 and Miramar Maritime Corporation v. Holborn Oil Trading (The Miramar) (1984) 2 Lloyd's Rep. 129).
490/ The Miramar, supra.
491/ Fidelitas Shipping v. Exportchleb (1963) 2 Lloyd's Rep. 113-125.
492/ Miramar Maritime Corporation v. Holborn Oil Trading (The Miramar) (1983) 2 Lloyd's Rep. 319, (1984) 1 Lloyd's Rep. 142, (1984) 2 Lloyd's Rep. 129.
493/ Kish v. Taylor (1912) K.B. 604, 614.

349. Some incorporating clauses in bills of lading merely refer to the incorporation of terms or conditions "as per charter party" (or words to similar effect) without actually identifying to which charter party reference is being made. In such circumstances, the English Courts "will assume that the reference is to any charter under which the goods are being carried". 494/ This approach was approved in K/S A/S Seateam v. Iraq National Oil Co (The Sevonia Team) 495/ on the footing that this was the assumption to be made if the goods were being carried under a voyage charter. Such an assumption might not be made if the only charter under which the goods were carried was a time charter. But that apart, the effect may be that a third party bill of lading holder will be bound by the terms of a charter party not even identified by date in the bill of lading.

350. The position becomes more complicated when there is more than one charter under which the cargo is being carried. This was the case in Pacific Molasses v. Entre Rios Compania Naviera (The San Nicholas). 496/ There the vessel had been voyage chartered and the voyage charterers had then sub-chartered, so that there were two voyage charters in existence. The head voyage charter was subject to English law, but the sub-charter was not, and in this case it was the bill of lading holder who contended that the bill of lading incorporated the head charter and thus that the bill was also subject to English law. It was held that where, as in that case, a bill of lading referred to a charter party, but omitted any reference to its date, it was in general to be assumed that where there was more than one voyage charter, the reference was to the head charter. The ground for the decision was that the head charter party was the charter to which the shipowner was a party and since the bill of lading was in this case issued by or on behalf of the shipowner, it was to be assumed that it was intended to refer to that charter party. 497/

351. The difficulty of such an approach for a third party bill of lading holder who is buyer of cargo is that he is more likely to be aware of any sub-charter under which the cargo was shipped and it may not be apparent from merely looking at the bill of lading and the charter party that the charter party is in fact a sub-charter and that there is also a head voyage charter in existence.

352. The position might be different if it was the charterer by whom or on whose behalf the bill of lading was issued. In such a case, it might be held on this analysis, that it was the sub-charter to which the reference was intended. But from the point of view of the third party bill of lading holder, this only adds another element of uncertainty in determining what charter party terms are properly incorporated into the bill of lading he holds.

353. Furthermore, the position may also be different where the head charter is a time charter party. Since many of the terms and clauses of a time charter party are not appropriate for incorporation into a bill of lading, the sub-charter will be incorporated provided it is in voyage form. 498/

Conclusion

354. It can be seen from the foregoing that charter party terms can have an impact upon third party bill of lading holders in several important respects and it is suggested that in considering in any standardization, harmonization or improvement of charter party terms and the necessity for international legislative action, due account should be taken of the interests of third party bill of lading holders as well as those of charterers and shipowners.

494/ Scrutton on Charter parties, op.cit., p.65.
495/ (1983) 2 Lloyd's Rep. 640, 644.
496/ ((1976) 1 Lloyd's Rep. 8.
497/ See also The S.L.S Everest (1981) 2 Lloyd's Rep. 389.
498/ See The SLS Everest (1981) 2 Lloyds' Rep. 389.

Chapter V

CHARTER PARTIES AND MANDATORY LEGISLATION

355. A number of respondents to the secretariat's enquiries strongly supported the application of mandatory legislation to charter parties with a view to avoiding difficulties and uncertainties arising, inter alia, from the application of different liability regimes to bills of lading and charter parties.

356. Indeed in some countries mandatory legislation is applied to charter parties. In the USSR, the provisions of chapter VIII of the Merchant Shipping Act of 1968, governing the contract of Carriage of Goods by Sea, apply mandatorily to both bills of lading and voyage charter parties. According to article 119 "In mutual relations between Soviet organizations, and in the cases expressely mentioned in this chapter, any agreement between the parties inconsistent with the rules of this chapter shall be invalid". It seems, however, that where one of the parties to the charter party is a foreign national certain provisions of the chapter VIII have mandatory application. These include the following articles:

357. Article 129, concerning seaworthiness of the ship, which provides:

> "The carrier shall in good time before the begining of the voyage make the ship seaworthy: ensure the technical fitness of the ship for the voyage, properly equip, man and supply the ship with everything necessary, and make the holds and all other compartments of the ship in which the goods are carried fit for the proper reception, carriage and preservation of the goods.
>
> No liability shall lie with the carrier if he proves that the unseaworthiness of the ship was caused by defects which could not have been discovered in the exercise by him of due diligence (latent defects). Any agreement of the parties inconsistent with the provisions of the first paragraph of this article shall be invalid."

358. Article 160 dealing with liability for loss or damage to goods provides:

> "The carrier shall be liable for any loss of, shortage in, or damage to the goods received for carriage, unless he proves that such loss, shortage or damage occurred through no fault of his, in particular due to:
> (1) force majeure;
> (2) perils and accidents of the sea and other navigable matters;
> (3) saving human life, ship and goods;
> (4) fire not resulting from any fault of the carrier;
> (5) acts or orders of authorities (detention, arrest, guarantine, etc.);
> (6) acts of war or popular conditions;
> (7) acts or omissions of the consignor or the consignee;
> (8) latent defects of the goods, their properties, or natural wastage;
> (9) defects, not discoverable from outside, in the receptacle or packing of the goods or in timber rafting;
> (10) insufficiency or indistinctness of markings;
> (11) strikes or other circumstances causing stoppage or restraint of labour, whether general or partial.
>
> Liability under this article shall arise the moment the goods are received for carriage and shall continue until the moment of their delivery.

Stipulations which differ from the provisions of this article shall be invalid, with the exception of stipulations concerning liability in the periods between the receipt of the goods and their loading and between their unloading and delivery".

359. Under the Maritime Codes of the Scandinavian countries, charter parties for voyages in or between Scandinavian countries are subject to mandatory legislation as regards cargo liability. According to Section 168 of the Norwegian Maritime Code "The provisions contained in Sections 118-123 [which deal with the carrier's responsability for the goods]... may not, when Norwegian law is applicable in accordance with Section 169, be contracted out of to the detriment of the shipper, charterer or receiver..." And by the first paragraph of section 169, transport is subject to the mandatory rules even if no bill of lading is issued and the goods are carried under a charter party. It provides: "Carriage in domestic trade in Norway, Denmark, Finland and Sweden and in trade between those states shall be subject to the legislation of the state from where the carriage is performed. This shall apply even if no bill of lading is issued."

360. Writers in other countries have recognised the problems inherent in having a mandatory regime applicable to cargo carried under bills of lading, but no universal regime applicable to cargo carried under charter parties. The late Per Gram, formerly Managing Director of the Northern Shipowners' Defence Club, Oslo, and Chairman of the Documentary Committee of Intertanko having discussed the issues, said:

"With regard to carriage by sea, unification by interregional convention and mandatory legislation as to responsibility for cargo is limited to carriage under bills of lading. The Hague Rules, however, are often expressly incorporated into charter parties by the "clause paramount". Thus, the fields of loss, damage and delay of goods are covered by such incorporation; in other words liability with regard to seaworthiness, care of the goods, and timely performance without unreasonable deviation is provided for ... The only field where mandatory international legislation for charter parties has been suggested is the field hitherto covered by such legislation for bills of lading, i.e., responsability for cargo. This should not raise difficult problems except as to documentary scope: what types of charter parties should be covered? Voyage? Consecutive? Surely not time or bareboat charters? Such rules should apply only to contracts which evidence a direct carrier/cargo relationship, like that a bill of lading." 499/

361. The possible scope of mandatory legislation was addressed further in the following note: "At least, a tramp bill of lading might well be covered from its issue, and not only from the time it has been negotiated. The present system whereby a carrier's responsability may change from Gencon 2 to the Hague Rules when the shipper/charterer decides to negotiate the bill, is strange and leads to difficult questions of recourse... If it is felt necessary to enforce by mandatory regulation what is universally done by clause paramount - whatever the geographical applicability - a simple solution could be to apply the mandatory rules to any carrier who issues any type of cargo receipt, whether a bill of lading, a consignment note, or accompanying freight letter." 500/

499/ Per Gram, a paper given to the Tulane Maritime Institute (1975) 49 Tulane Law Review 1076.

500/ Ibid.

362. The Hague or the Hague-Visby Rules may perhaps be said to be incorporated into charter parties "universally", but it is by no means the case that they are incorporated into charter parties invariably. The Gencon charter party, for example, is frequently used without incorporating any clause paramount and in many charter parties the Hague or Hague-Visby Rules are only partially incorporated. Hence other writers have a greater conviction of the necessity for mandatory legislation covering responsibility for cargo under charter parties. In the United States, for instance, Gilmore and Black on the Law of Admiralty, 501/ state:

> "There are no statutes in this country (or, generally, elsewhere) regulating the terms of charter parties, as the terms of bills of lading are regulated by the Carriage of Goods by Sea Act. It has traditionally been felt, apparently, that the bargaining power of charterers and owners is near enough equal that they may be left to contract freely, a situation in sharp contrast to the great disparity between ship lines and the shippers of package cargo ... Of late, this freedom of contract may be changing. In Bisso v. Inland Waterways, Corp. ... the Supreme Court used language which might extend to charter parties, wherever disparity in bargaining power actually appeared. So far, the Court has not spoken on this issue; Lower Federal Court decisions are not free from ambiguity. Obviouly, only the Supreme Court can decide authoritatively whether and to what extent the Bisso rule is to prevail in charter party cases. It seems that any really practical solution will have to come from an international convention, comparable to the one underlying COGSA; the strong assertion of national "public policy" in this most international of fields is highly problematic..". (Emphasis added)

363. Again, other writers have pointed to the legal difficulties that currently exist in the relationship between charter parties and bills of lading in connection with responsibility for cargo. Thus, in Scrutton on Charter parties 502/ it is stated that: "One of the most serious difficulties which arises under the Rules in their current, as well as their original form is to determine the position of a bill of lading issued under a charter party." Problems arise in four main areas: firstly, the scope of the application of the Hague Rules or Hague-Visby Rules to bills of lading issued under charter parties; secondly, the effect of attempts to incorporate the Rules into charter parties contractually by means of a clause paramount; and thirdly in the construction of charter parties into which the Rules have been incorporated or from which the Rules have been deleted; and fourthly in connection with indemnity claims between charterers and shipowners under charter parties.

A. Application of the Rules to bills of lading under charter parties

364. It is assumed for the purposes of the present discussion that the charter party under which bills of lading are issued is not, by the terms of the charter, made subject to the Rules or is not fully made subject to the Rules. Bills of lading issued under the charter party may, depending upon the nature of the charterers' trade, be either liner bills or charter party bills. Both forms of bill will normally be regulated mandatorily by either the Hague Rules or the hague-Visby Rules if they constitute a contract of carriage. But depending upon the identity and status of the party to whom the bill of lading is issued, or by whom it is held or presented, the bill of lading may or may not constitute a contract of carriage, and thus may or may not be subject to the Rules.

501/ Op.cit., p.198.
502/ Op.cit, p.417.

365. It is well established under both English and American law that where the charterer is the shipper, a bill of lading issued to the charterer prima facie takes effect only as a receipt for the goods. 503/ The fact that the bill of lading may, by an express term, incorporate the Rules, or that the bill had been issued in a contracting State or is for the carriage of goods between two contracting States is irrelevant, because it is said that the Master by signing the bill of lading has no power to modify or vary the terms of the charter party. So even though the liability of the shipowners under the charter party is more restrictive than the liability for cargo under the Hague Rules, the charterer will not be entitled to rely upon the Rules.

366. If however, as has been seen in the previous chapter, the charterer holding the bill of lading as a receipt only, endorses the bill to a third party, the bill of lading thereupon becomes the contract between the third party and the shipowner. 504/ As is observed in Scrutton on Charter parties: "This view is, however, not easy to explain. The indorsee has by statute [Bills of lading Act 1855] transferred to him by the endorsement all such rights and liabilities, 'as if the contract contained in the bill of lading had been made with him'. But in the case of the indorsement from the charterer-shipper of a bill of lading differing from the charter, there is, on the doctrine of Lord Esher in Rodocanachqui v. Milburn, no 'contract contained in the bill of lading', but only a 'mere receipt'. How, then, can the indorsement pass what does not exist? Does a contract spring into existence on the indorsement, which has no existence before?" 505/

367. It is indeed anomalous that on a given voyage, goods should be carried for a certain time subject to one regime of cargo responsability and that then, upon the endorsement of the bill of lading, should become subject to the regime of the Hague Rules or the Hague-Visby Rules as the case may be, without notice to, and without the knowledge of, the shipowner. In fact circumstances might occur, under English law, in which a voyage was completed and goods were discharged, apparently under a regime of responsibility governed by the charter party, and then was transformed to a regime governed by the Rules upon the presentation of a Hague Rules bill of lading and the delivery of the goods against it. In Brandt v. Liverpool S.N Co., 506/ it was held that a contract might be inferred between a shipowner and the holder of a bill who presents it, and who offers to pay the freight and accept delivery, where that offer is accepted by the shipowner.

368. Again, as has already been seen, a similarly anomalous situation arises where a bill of lading is issued by a shipowner to a third party shipper and that shipper subsequently endorses the bill of lading to the charterer. The bill of lading when issued will take effect as a contract of carriage which in normal circumstances will be subject to the Hague Rules or the Hague-Visby Rules. However, on endorsement by the shipper to the charterer the Hague Rules contract will lapse and the bill of lading revert to the status of a receipt in the hands of the charterer and consequently the goods will thereupon be carried subject to the terms of the charter party. 507/ The same result would follow if the bill of lading was endorsed by a third party to a party who was regarded in law as an agent of the charterer. 508/

503/ Rodocanachi v. Milburn (1986) 18 Q.B.D. 67,75; "Northern No. 29", 85F. 2d 39, 41, 1936 AMC 1296, 1298; "Sonya II", 151F. 2d 727, 730, 1946 AMC 90, 94; President of India v. Metcalfe Shipping (1979) 2 Lloyd's Rep. 476.

504/ Leduc v. Ward (1888) 20 Q.B.D. 475, 479.

505/ Scrutton, op.cit., p.62.

506/ (1924) 1 K.B. 575.

507/ President of India v. Metcalfe Shipping, supra.

508/ Kern v. Deslands (1861) 10 C.B.(N.S.) 205 and President of India v. Metcalfe Shipping, supra.

369. It can be seen from what has been said above that not only does the current disparity between the treatment of bills of lading and charter parties result in changes in the regime of responsability for cargo in the course of a voyage, but that identical cargo being carried on the same ship to identical destinations can be subject to different regimes of responsability at the same time. This will occur for instance where bills of lading are issued by a ship under charter party to a third party shipper who subsequently endorses some bills of lading to other third parties and some bills of lading to the charterers themselves or to parties who are categorised as agents of the charterers.

370. Further potential difficulties arise where bills of lading issued by a ship under charter are originally issued to the charterer who then endorses the bills to a third party. As is pointed out in Scrutton on Charter Parties : 509/

> "Article V of the Rules (second paragraph) provides that "the provisions of these Rules shall not be applicable to charter parties, but if bills of lading are issued in the case of a ship under a charter party, they shall comply with the terms of those Rules." The reference appears to be the form prescribed by Article III, Rule 3, by which the "carrier" must on demand issue a bill of lading showing marks, number of packages or pieces or quality or weight, and the apparent order and condition of the goods, and to Article III, Rule 7, which deals with "shipped" bills of lading. Where the shipper is not the charterer, it may be that no difficulty will arise; but where the charterer wishes to use the ship for his own goods, it is more than doubtful whether he will be entitled to demand the issue of a bill of lading in accordance with the provisions of these Rules."

371. As has been explained above, the operative document between the charterer and the shipowner remains the charter party itself, the bill of lading being regarded as a mere receipt. There is therefore, no "contract of carriage" between the charterer and the shipowner within the meaning of Artcle I(b) and therefore the shipowner is not within the meaning of Article I(a) a "carrier". Article III, Rule 3, only requires a "carrier" to comply with the requirements of Article III, Rule 3. If in such a case the bill of lading issued by the ship conforms with the terms of the charter party, there seems to be nothing in the Rules to compel the shipowner to issue a bill of lading in the form required by the Article III, Rule 3. There therefore appears to be no sanction in such a case against the shipowner qualifying the statements in the bill of lading as to marks, quantity, weight or condition in such a way as to nullify the evidential value of the bill, even in the hands of a subsequent endorsee who would otherwise have the benefit of the Rules.

B. Attempts to incorporate the Rules into charter parties contractually

372. Many standard forms of charter party seek to incorporate the Hague or Hague-Visby Rules, or particular provisions of the Rules, into the printed form. In other cases it is common to seek to incorporate the Rules by the inclusion of a so-called "Clause Paramount". Paramount Clauses take various forms; sometimes the intention is spelt out in detail, although with varying clarity, but in other cases reference is merely made to "clause paramount" without specifying what clause paramount is intended.

509/ Op.cit., at p.417.

373. The difficulties arising from incorporation of Hague, Hague-Visby Rules into charter parties by a Paramount clause are discussed at an earlier section of this report. 510/ As has been explained, problems which arise include the question as to what rules are incorporated into the charter party by a paramount clause and which provisions should prevail in case of conflict between the terms of the charter party and the provisions of the Rules as incorporated into the charter party. These questions arose in a number of cases including again in the very recent case of Furness Withy (Australia) PTY. v. Metal Distributors (U.K) Ltd. (The "Amazonia"). 511/ The question in this case was whether the wording of the paramount clause in the charter party (clause 33) 512/ had the effect of incorporating into the charter all the provisions and terms of the Australian Sea-Carriage of Goods Act 1924 including its S.9 (which provided for the law in force at the place of shipment, i.e. the law of South Australia and of the Commonwealth of Australia to apply) or whether it only incorporated the Hague Rules as set out in the schedule to the Australian Act. The English Court of Appeal decided that the whole Australian Act, including S.9, was incorporated into the charter by the paramount clause and therefore clause 34 of the charter party, which required any dispute arising under the charter to be settled by arbitration under English Law, was null and void. The result, as Lord Justice Dillon described was that clause 34 of the charter party was illegal, null, void and of no effect. Instead the charter party was governed by the law of South Australia, as the place of shipment, and any disputes between the parties fell to be decided by the Courts of South Australia, and not by arbitration in London or anywhere else. 513/

374. Even where it is clear that the Paramount Clause was intended to incorporate the Rules into the charter, it is not always clear that there was an intention that in all respects the Rules should indeed be "paramount". In one such case, Marifortuna Naviera v. Governement of Ceylon 514/ where a Paramount Clause was added to a Gencon charter as one of the additional clauses in typescript, the question arose whether the Paramount Clause should indeed be regarded as overriding one of the other typescript clauses. The Judge observed:

> In my judgement, it would be wrong to place too much weight on the words "paramount" in the rubric to clause 29 in relation to the issue before me. In the first place, this word is used in relation to the Hague Rules in two rather different senses. It is sometimes used as form of shorthand to describe a clause in a bill of lading or in a charter party making the whole or part of the Hague Rules applicable to those documents, but without any addition. On other occasions it has a wider meaning, in that it refers not only to a clause incorporating the Hague Rules in a bill of lading or charter party, but to one going further and expressly providing that the provisions of the Hague Rules, where there is any conflict with the provisions of the bill of lading or charter party, are to prevail, or in other words be paramount."

510/ See paras 102-112 of this report.
511/ (1990) 1 Lloyds' Rep.236.
512/ The clause 33 read: "This charter is subject to the terms and provisions of the Australian Sea-Carriage of Goods Act 1924 ... Any clause herein which is inconsistent with the rules and provisions of the said Act shall be void and of no effect to the extent of such inconsisting but no further."
513/ Ibid. p.248.
514/ (1970) 1 Lloyd's Rep. 247-255.

375. Likewise, in the case of Seven Seas Transportation Limited v. Pacifico Union Marina Corporation (The "Satya Kailash") 515/ the Court of Appeal indicated that certain additional clauses in typescript might well override provisions of the United States Carriage of Goods by Sea Act incorporated into the charter by a paramount clause.

376. Attempts to incorporate the Rules into charter parties by express contractual provision give rise to uncertainty about which Rules - the Hague or the Hague-Visby Rules - are intended to be incorporated, where the incorporating provision refers only to "paramount clause". In Nea Agrex S.A v. Baltic Shipping Co. Limited, 516/ the question was resolved without too much difficulty by an English Court on the grounds that at the date of the charter party the Hague-Visby Rules had not yet been adopted by any country and it was therefore logical to assume that the parties intended to incorporate the Hague Rules in their original form.

377. The question today would no doubt be resolved differently by an English Court considering a contract governed by English law, because of the subsequent enactment of the Hague-Visby Rules in the carriage of Goods by Sea Act 1971. But as long as there are different regimes applicable to bills of lading in force, the uncertainty inherent in the contractual incorporation of the Rules into charter parties will be doubly compounded. 517/

C. The construction of charter parties into which the Rules have been incorporated or from which the Rules have been deleted

378. Prima facie, the contractual incorporation of the Rules into a charter party overrides conflicting provisions. 518/ But this is not necessarily accurate as a generalization. There may be instances where the Rules do not prevail over other terms of the charter party, because if Rules are contractually incorporated, rather than being mandatorily incorporated, ordinary principles of construction have to be applied. 519/

379. In the Satya Kailash case, the Hague Rules in the form of the US Carriage of goods by Sea Act 1936 were incorporated into a NYPE time charter by the printed clause 24, but the typed addendum to the charter contained clauses in the nature of absolute warranties of seaworthiness. In the judgement of the Court of Appeal, it was suggested (although the question did not have to be decided) that as typed additional clauses, these provisions for an absolute warranty of seaworthiness might override section 4(1) of the United States Act (Article 4, Rule 1 of the Hague Rules). And in another case, 520/ it was held that the exception of "Act, neglect, or default of the master... in the management of the ship" in Article 4, Rule 2 of the Hague Rules, which were contractually incorporated into the charter party by a "Paramount Clause", did not override a particular clause in the charter party regarding notice of readiness and did not therefore protect the shipowner from liability for breach of that clause. In construing a charter party into which the Hague Rules have been contractually incorporated, the manner in which the Rules have been incorporated - the particular words used in incorporating them and the

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515/ (1984) 1 Lloyd's Rep. 588.
516/ (1976) 2 Lloyd's Rep. 47.
517/ For further discussion of the subject see "Paramount clause", paras ..... of this report.
518/ Nea Agrex S.A v. Baltic Shipping Co. Ltd., (The Agios Lazaros) (1976) 2 Lloyd's Rep. 47; J.B. Effenson Co. v. Three Bays Corp. Ltd., 238 F.2d. 611, 1957 A.M.C. 16 (5th Cir. 1956).
519/ Scrutton on Charter Parties, op.cit., p.420 and Seven Seas Transportation v. Pacifico Union Marina Corp. (The Satya Kailash) (1984) 1 Llod's Rep. 588.
520/ Marifortuna Naviera S.A. v. Government of Ceylon (1970) 1 Lloyd's Rep. 247.

words used to describe their intended effect - is also an important element. Thus, in Adamastos Shipping v. Anglo Saxon Petroleum (The Saxon Star) 521/ the Paramount clause specifically provided that if any term should be repugnant to the terms of US Carriage of Goods by Sea Act, it should be void. The Court in Marifortuna Naviera SA v.Government of Ceylon, (supra.) drew attention to the fact that there was no provision in the Paramount clause in that case similar to the specific provision in The Adamastos case.

380. Another example of the probable difference in effect of contractual incorporation as opposed to mandatory application lies in the area of deviation. The deviation provision of the Hague Rules may have a different effect, depending on whether it is applicable mandatorily or contractually. It has been suggested that under English law a deviation clause in a bill of lading is to be construed on common law principles and that, if valid on those principles, it is not affected by the compulsory application of Article 4, Rule 4 of the Hague Rules 522/ But if the Hague Rules are contractually incorporated into a charter party, then the Rules (including Article 4, Rule 4) must be read together with the other terms of the charter party as if "fused together" 523/ with consequences which must necessarily be different. Further, the common law principles of construction of deviation clauses in bills of lading which were developed mainly in the last century may not be apt in the construction of the deviation provisions of a charter party today. 524/ As has been suggested earlier in this report on the section on deviation clauses, 525/ one is left with the conclusion that under English law, the effect of deviation under a charter party into which the Hague Rules have been contractually incorporated is a matter of considerable uncertainty upon which such modern authorities as there are provide scarcely any guidance.

381. The different effect of Hague or Hague-Visby Rules provisions when contractually incorporated into charter parties is also illustrated by the interpretation of the words "loss or damage" in the preface to Article 4, Rule 2 of the Hague Rules. As interpreted by the English Courts, the words "loss or damage" in their intended context have been held to mean physical or financial loss or damage arising in relation to the "loading, handling, stowage, carriage, custody, care and discharge" of goods carried under a bill of lading to which the Rules apply. 526/ In other words "loss or damage" in Article 4 of the Rules are defined by reference to Article 2 and Article 1(b). However, in the context of a consecutive voyage charter, into which the Hague Rules were contractually incorporated, it was held that the words "loss or damage" covered losses of profit suffered by charterers from the reduction in the number of voyages the ship could perform, as a result of unseaworthiness: Adamastos Shipping v. Anglo Saxon Petroleum, supra. And in another voyage charter case, it was held that the words covered expenses incurred by the charterers as a result of delay caused by a collision. 527/

521/ (1958) 1 Lloyd's Rep. 73.

522/ See Scrutton on Charter Parties, op.cit., p.452, citing the judgments of the Court of Appeal in Renton v. Palmyra (1956) 1 Q.B. 505, the question having been left open in the House of Lords (1957) A.C. 147, 171.

523/ Nea Agrex v. Baltic Shipping Co. (1976) 2 Lloyd's Rep. 47, per Lord Justice Shaw at p.59

524/ See Suisse Atlantique v. N.V. Rotterdamsche Kolen Centrale (1967) A.C. 361; Photo Production Ltd. v. Securicor Transport Ltd. (1980) A.C. 827.

525/ See paras 288-301 of this report.

526/ Adamastos Shipping v. Anglo Saxon Petroleum (The Saxon Star) (1958) 1 Lloyd's Rep. 73.

527/ Marifortuna Naviera SA v. Government of Ceylon (1970) 1 Lloyd's Rep. 247.

382. In the context of a time charter into which the Hague Rules were contractually incorporated by virtue of the reference to the US Carriage of Goods Act 1936 in clause 24 of the NYPE, the words "loss or damage" were held to have an even wider meaning. In Sevens Seas Transportation v. Pacifico Union Marina Corp. (The Satya Kailash), 528/ the words were held to be wide enough to cover collision damage caused to the charterers' vessel "Satya Kailash" by the negligent navigation of the shipowner's vessel "Ocean Amity" during the lightening of the "Satya Kailash". It was said by the Court of Appeal, that under a charter party the shipowner is required to carry out a wider range of contractual activities than under a bill of lading contract, and the incorporation of the Hague Rules into a charter party "can be effective to give an owner the protection of the statutory immunities in respect not merely of those matters specified in [Art.2], but also of other contractual activities performed by him under the charter". 529/

383. One may question whether, in these cases, the outcome of the contractual incorporation of the Hague Rules reflected the parties' actual intention. But whether that be so or not, it is plainly not satisfactory that a set of Rules drafted for application to Bill of lading contracts should be applied without suitable adaptation to charter parties, which are essentially different contracts.

384. The contractual exclusion of the Hague Rules from a charter party may also produce unintended results. The NYPE in which the Hague Rules, as given effect to in the US Carriage of Goods by Sea Act 1936, are contractually incorporated by clause 24 of the charter is sometimes amended by the deletion of clause 24. This is carried through into the printed form in the 1981 version (the latest version) of the NYPE (Code named "Asbatime") which excludes clause 24 from the form so that the Hague Rules are not incorporated into the standard form. The surprising result of this under English Law is that the shipowners' initial obligations of seaworthiness at the commencement of the charter are increased from those of the exercise of due diligence to make the ship seaworthy to absolute warranties of seaworthiness. The deletion or exclusion of the Hague Rules also has the result that the shipowner loses the protection of an exception of negligence which he has in the exception in Section 4(2)(a) of the American Act (Article IV, Rule 2 (a) of the Rules) against "Act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship". The reason for this is that the charter party exception clause in the 1981 version (the Asbatime) which remains unchanged from the 1946 version is insufficiently widely drawn to constitute an effective exception against negligence under English law. 530/ In The Satya Kailash case, the Court of Appeal held that a shipowner was not protected by this exception clause for collision damage, caused by negligence of their master, because the clause was not widely enough drawn to cover negligence.

385. This example is mentioned to illustrate the point that contractual adaptations of charter parties, if not considered in the light of all relevant national laws and not subjected to the close textual analysis and criticism, to which international mandatory legislation in the area of carriers' responsibility for cargo has traditionally been subjected, are liable to result in unexpected and unwanted consequences. A balance between the interests of shipowners and charterers can also be most effectively achieved

528/ (1984) 1 Lloyd's Rep. 588.
529/ Ibid. p.596.
530/ See Seven Seas Transportation Ltd v. Pacifico Union Marina (The Satya Kailash) (1984) 1 Lloyd's Rep. 588.

in this process. Many respondents to the enquiries made by the secretariat complained that certain standard forms of charter party, the Baltime and the Gencon in particular, unduly favoured shipowners. An example of an attempt to produce a satisfactory modern dry cargo time charter party in favour of charterers is to be found in the "Fontime" draft of 1976. However, upon analysis, this draft appears to go much too far in the charterers' favour, in that it imposes upon the shipowner responsibilities for cargo and liabilities to the charterer equivalent to those of an insurer and greater even than those of a common carrier.

386. Thus, clause 9 of the "Fontime" draft provides: "on her delivery, the vessel to have hull machinery in class and equipment in a thoroughly efficient state (with necessary valid inspection or other certificates), and is to be tight, staunch, strong and in every way fit for trading - and shall remain so for the currency of this charter". This clause appears to amount to a continuing absolute warranty of seaworthiness throughout the whole period of the charter party. And the exceptions clause of the "Fontime" (clause 26) being in the same terms as the exceptions clause in the NYPE 1946 and 1981 (Asbatime), provides, as has been seen above, no exception against negligence - at least under English law.

D. Claims for indemnity between charterers and shipowners under charter parties

387. The problems here arise in circumstances where the responsibility for cargo under bills of lading is governed by the Hague Rules or the Hague-Visby Rules and the responsabilities for cargo under the charter party are not governed by the Rules and are either less (or more) restrictive than the Rules. Where the bill of lading is governed by English law the shipowners will normally, although not invariably, be the party liable for loss of or damage to cargo under bills of lading. In the United States and in other jurisdictions, charterers are more often exposed to liability for bill of lading claims. If shipowners or charterers are held liable for loss of or damage to cargo under bills of lading which are subject to the Hague or Hague-Visby Rules, they will obviously wish to claim an indemnity from the other party to the charter party, if under the latter contract the other party is (as between the charterers and the shipowners) responsible for the particular loss or damage which gave rise to the bill of lading claim. However, the circumstances in which a right to claim indemnity is given in a case such as this are not always clearly defined.

388. In the case of Naviera Mogor S.A v. Société Métallurgique de Normandie (The "Nogar Marin") 531/ the English Court of Appeal reviewed the previous authorities on the question of the right to claim indemnity but did not reach any clear conclusion on the principles to be applied: and in particular what were the circumstances in which an indemnity might be implied where there was no express indemnity provision in the charter.

389. The Court did however try to summarize the effect of the authorities and stated that: "The cases previously cited show that where the Master is expressly required to sign the bills as presented, and where the contract stipulates that the act is to be without prejudice to the charter, the charterer's right to issue bills to suit his own convenience must be constrained by the need not to make the terms of a new contract which he thus imposes on the shipowner more burdensome than those which the owner originally contracted to assume in exchange for the freight." But to speak of the issue

531/ (1988) 1 Lloyd's Rep. 412.

of bills suiting the charterer's "convenience" when in most cases the Hague Rules or Hague-Visby Rules are compulsory applicable seems unrealistic. As the Commercial Court Judge said in the same case at first instance 532/:

> "Frequently [the bills of lading] will contain terms which are more onerous than those in the charter party, if only because the Hague Rules are compulsorily applicable in the country of shipment. The Master, or the ship's agents, will be able to ascertain what the terms are simply by looking at the bill of lading, assuming (which I doubt) that they are not well aware of them already. In those circumstances, it seems to me a little artificial to say that a charterer commits a breach of contract when he presents a bill of lading containing terms more onerous than the charter party, and that the owner is entitled to damages. It makes better sense to say that there is an implied term which obliges the charterer to indemnify the owner."

390. But in Ben Shipping Co. (Pte.) Ltd. v. An-Bord Bainne (The "C. Joyce"), 533/ the English Commercial Court rejected a shipowner's claim for indemnity under a Gencon charter party containing the owners' responsibility clause (clause 2), restricting the shipowners' liability for loss or damage to goods caused by unseaworthiness to much narrower limits than those imposed by the Hague Rules. The parties had deleted clause 9 of the Gencon charter providing that the Captain is to sign bills of lading "without prejudice to this charter" and substituted a clause to the effect that all bills of lading subject to the Hague Rules were to be issued by the shipowners who had to settle cargo claims under them for which they would not have been liable had the bills been governed by the responsability clauses in the charter party. However, the Court rejected the shipowner's claim for indemnity agianst the charterers under the charter party on the ground that the charter party expressly provided for bills of lading to be issued subject to a paramount clause; that this stipulation necessarily exposed the shipowners to Hague Rules liability under the bills of lading and there was no necessity (in the absence of an express term) to imply a right to an indemnity, merely because the shipowners' responsibilities for cargo under the charter party were more restrictive than they were under the bills of lading. It was argued in that case that such a solution made little business sense and the charterers in the Ben Shipping case relied upon a passage in one of the judgements of the Courts of Appeal in the early case of Moel Tryvan Steam Ship Co. v. Kruger & Co. 534/ where it was said:

> "Up to the time of shipment, the shipowner deals with the shipper. From the moment of shipment he wants to be in the same position as regards carrying the goods, whether the goods remain the property of the shipper or whether the shipper chooses to sell them and pass the property to someone else. That is a matter of common sense. He certainly does not desire - no shipowner would desire - that he is to be under one set of obligations to the charterer, and to be under heavier obligations if the charterer chooses to sell his goods. That, I should say, to use a common expression, is not business."

391. Another anomale which arises in claims for an indemnity under charter parties in the circumstances described above is the effect of the time limit provision in Article III, Rule 6, of the Hague Rules. Where a claim for indemnity in respect of loss or damage is made under a charter party which expressly incorporates the Hague Rules, the shipowner may under English law

532/ (1987) 1 Lloyd's Rep. 456, at p.460.
533/ (1986) 2 Lloyd's Rep. 285.
534/ (1907) 1 K.B. 809.

rely upon the one-year time limit provision of Article III, Rule 6, in cases where the claim for indemnity is brought by the charterer. A claim for indemnity by a charterer may arise where the charterer is a party to the bill of lading contract and has to meet bill of lading claims which, under the terms of the charter, are the ultimate responsability of the shipowner. Where, however, the claim for indemnity is brought by the shipowner against the charterer (because the shipowner is the party to the bills of lading and has had to meet claims under them), the charterer may not under English law rely upon the one-year time limit provision of Article III, Rule 6. 535/ The shipowner has six years to bring his claim for indemnity in such circumstances. It was argued by the charterer in The "Khian Zephyr" case that the charterer should also be able to rely upon Article III, Rule 6, because "Carrier" in Article I of the Hague Rules is defined to include the charterer who entered into a contract of carriage with the shipper. The English Court, however, rejected this argument on the grounds that where the Hague Rules are contractually incorporated into a charter party, there could be only one "carrier" and that carrier must be the shipowner. The charterer could not be the carrier under the charter party even though he might be in the position of being a carrier under a separate bill of lading contract. United States law differs from English law in this regard in that the one-year time limit provision of the Hague Rules has been held not to apply to claims for indemnity under charter parties by either the shipowner or the charterer. 536/

Conclusion

392. As appears from the foregoing, both exclusion of the Hague Rules from charter parties and attempts to incorporate the Rules into charter parties contractually creates serious difficulties and uncertainties. It is suggested that these difficulties and uncertainties could be resolved by the mandatory application to charter parties of a regime of responsibility for cargo similar to the Hague/Hague-Visby Rules regime, but drafted especially for application to charter parties.

535/ Freedom General Shipping S.A v. Tokai Shipping Co. Limited (The "Khian Zephyr") (1982) 1 Lloyd's Rep. 73.

536/ Hercules Inc. v. Stevens Shipping Co. Inc. (1983) 698 F.2d 726, 1983 AMC 1786 (5th Cir.).

Chapter VI

CONCLUSIONS AND RECOMMENDATIONS

393. More than 15 years have elapsed since the fourth session of the Working Group on International Shipping Legislation. During this time some new charter party forms have been introduced which are undoubtedly improvements that tend towards the achievement of well-balanced charter parties. Other charter party forms introduced appear to go too far in the charterers' favour, by the imposition of much stricter liability upon the shipowners. It is, however, difficult to believe that any shipowner aware of the implications would accept such a charter party, anymore than most charterers would willingly accept unamended Baltime or Gencon charters.

394. According to the information obtained by the secretariat, unlike the more modern forms, the old and outdated charter party forms are still widely used. And as has been demonstrated throughout this report, the unclear, vague and outdated wording of these charter parties continues to give rise to most charter party disputes, resulting, in some cases, in conflicting decisions even within a single jurisdiction.

395. It is difficult to think of any other industry, apart from the shipping industry, in which contracts are often negotiated within a matter of days, if not hours, before the contracts come into effect and where so little attention is paid in the negotiations to the wording of the contractual terms even though potentially large sums of money may turn upon them. For understandable commercial reasons, shipowners and charterers and their brokers concentrate on negotiating the most commercially important elements such as rates of freight or hire, loading ports or delivery areas, etc., often without giving detailed attention to the other charter party terms. In other trades and industries the difficulties involved in negotiating each and every term of the contract are solved by the use of a limited number of comprehensively worded standard form contracts. In the shipping industry, however, the continued use of outdated printed forms which are also insufficiently comprehensive for today's conditions means that it can be said, without exaggeration, that in many trades in the shipping industry there are no longer standard-form contracts. In the case of dry cargo charter parties in particular, both time and voyage charter parties, it is, according to information obtained by the secretariat, not uncommon to have up to 50 additional typescript clauses attached to a printed form of charter party, with the clauses of the printed form themselves being extensively deleted and amended. These additional clauses and the amendements to the printed forms are not all negotiated on each occation, but are often adopted in toto from a previous charter party concluded between the parties, sometimes with the vague qualification in negotiations "with logical amendments". The repeated use of series of additional clauses, with new clauses being grafted on and then themselves becoming repeated in subsequent charter parties, give rise to contradictions between printed and additional clauses and indeed contradictions between additional clauses themselves.

396. Added to the confusion and uncertainty caused by such contradictions and by the obscurity of some of the older printed charter forms is the anomaly of mandatory rules governing the shipowners' responsibilities for cargo being applicable to underlying bill of lading contracts, but not applicable to the charter parties under which such underlying bills are issued.

397. The WGISL, at its fourth session, also requested the secretariat to provide additional data on:

(a) whether there were charter party clauses susceptible to standardization, harmonization, or improvement with a view to bringing about an equitable balance of rights and obligations between the various parties;

(b) whether there were aspects of charter parties suitable for international legislative action; and

(c) what were the possibilities of arriving at agreed definitions of basic terms used in charter parties.

A. Standardization, harmonization or improvement of charter party clauses

398. Any imposition of standard form charter parties on the world shipping industry would plainly be unacceptable and undesirable. It is, however, considered that the standardization, harmonization and improvement of charter party clauses is not only desirable but necessary. There is, in particular, a need for the rationalization of the multitude of different clauses which are in use today covering the same core elements of charter parties in essentially the same way. And there is also a need for improvement in the drafting of such clauses so as to clarify the obligations undertaken and to reduce disputes.

399. Clear and comprehensively drafted clauses are not only of importance to the parties to the charter party themselves. Charter party clauses also affect third party bill of lading holders in a number of different and important respects, as has been indicated earlier in this report. Third parties who have no control over the contents of a charter party, the terms of which may impose serious obligations upon them, should be entitled to expect that the relevant wording of both charter party bills of lading and the charter party clauses incorporated into them define clearly their rights and obligations.

400. It is suggested that a particular clause which benefits the shipowner or a particular clause which benefits the charterer is not necessarily inimicable to the equitable balance of rights and obligations of the different parties to a charter party, if it does not unreasonably prejudice third parties and if the benefit to the one party can be offset by an appropriate financial adjustment in favour of the other. It is only if the benefit is not offset, or is not seen to be offset, by an appropriate monetary adjustment that imbalance occurs.

401. Some modern charter parties do contain clauses providing for alternative divisions of risk or expense. But it is considered that there is much greater scope for such alternative provisions. With the alternative obligations clearly set out, the parties to the charter party can more easily assess the value of each alternative division of risk or expense in terms of freight or hire. By contrast, obscurely worded clauses make it more difficult to assess risk or cost.

402. Lack of clarity in the wording of clauses has the result that a clause, or expression in a clause, may convey one meaning to an ordinary member of the shipping community, but may be held to have quite another meaning when subjected to close legal analysis by lawyers, arbitrators or the Courts. One respondent to the enquiries made by the secretariat commented: "We do not see difficulties using (the clauses of a charter party) for professional people knowing precisely what is their exact meaning, according to the interpretations of the arbitration courts." This may be so for those professional people in the major shipping and legal centres, but it is not desirable that charter party forms in common use require experts to interpret them.

403. Ease of interpretation is not assisted by the multiplicity of charter party forms in current use. From the studies made by the secretariat it is apparent that many of the clauses in the numerous different trade charter parties do not differ in their terms because of different requirements of the particular trades, nor because of a different division of risk or expense between the shipowner and the charterer. They differ for historical reasons only. Often only a few clauses in such charter parties appear to be specific to the particular trade, and it is suggested that the main core clauses could be rationalized without loss of flexibility, provision being made for alternative divisions of risk or expense where necessary.

404. It is also apparent from the studies carried out by the secretariat that in the drafting of charter parties, it not the case that concise wording necessarily makes for clarity. Many of the older forms of charter party which have given rise to most controversy often employ too few words to provide adequately for potentially complex circumstances. It is significant that the detailed and usually comprehensively drafted modern tanker time charter parties give rise to far less disputes than the traditional dry cargo time charter forms.

405. Old, poorly drafted charter party forms used for particular cargoes, continue to persist in many trades and the outdated general forms of voyage charter and dry cargo time charter also persist. As can be seen from this report, several of the oldest forms of charter party which have been criticized for decades as being badly drafted, obscure and prone to dispute, still remain in widespread use today. The international shipping industry does not in general appear to have developed any sufficiently effective mechanisms for discouraging the use of outdated forms nor for encouraging the use of modern better drafted forms.

406. It is considered that the following clauses, particularly, are capable of harmonization and/or improvement:

Arbitration	Time and voyage
Bills of lading	" "
Cancelling	" "
Cesser of liability	Voyage
Clauses defining charter period	Time
Clauses in charter party bills of lading incorporating charter party terms	Voyage
Condition of vessel on delivery and re-delivery	Time
Dangerous cargo	Time and voyage
Deviation	Voyage
Freight	"
General average	Time and voyage
Indemnity	Time and voyage
Laytime and demurrage	Voyage
Lien	Time and voyage
Maintenance clause	Time
Off hire	"
Payment of hire and withdrawal	"
Cargo responsibility and exception clauses	Time and voyage
Safe ports and berths	" "

407. It is therefore recommended that after consultation with the relevant commercial and international organizations, the UNCTAD secretariat determine which of the above-mentioned clauses are suitable core charter party clauses. In some cases, certain existing clauses in standard form charter parties may be judged as suitable for use as core clauses. In other cases it will be necessary, after considering the clauses at present in use, to draft new clauses. The preparation of the draft core clauses could then be carried out, with the assistance and close collaboration of the relevant commercial and international organizations for submission to the WGISL.

B. Necessity for international legislative action

408. The overwhelming majority of bill of lading contracts worldwide are governed by the Hague or Hague-Visby Rules. It is anomalous that, where cargo is shipped under bills of lading with an underlying charter party, a similar mandatory regime of carrier's responsibility for cargo should not apply to both contracts.

409. As has been explained above, at present, if the contractual responsibilities for cargo under a charter party differ from the Hague or Hague-Visby Rules responsibilities for cargo under the bills of lading issued pursuant to the charter party, the carrier's liabilities can change during the voyage depending upon whether the bills of lading are negotiated, by whom they are negotiated and to whom. Thus, if bills of lading subject to the Rules are issued to the charterer and the bills are not negotiated or transferred, the regime of responsibility for cargo remains governed by the terms of the charter party. However, if such bills of lading, or some of them, are negotiated by the charterer to third parties, the regime of responsibility for cargo thereupon changes to that of the Hague or Hague-Visby Rules. Then, if bills of lading previously in the hands of third parties are transferred to the charterer or to parties regarded legally as agents of the charterer, the regime of responsibility for cargo carried under those bills of lading is again governed by the charter party terms.

410. Further, shippers of cargo may in the course of their ordinary trading ship cargo on some occasions under liner bills of lading, subject mandatorily to the Hague or Hague-Visby Rules, and on other occasions as charterers under voyage charter parties to which no mandatory legislation is applicable. It is again anomalous that carriers' responsibilities for cargo should not be consistent.

411. In many modern charter parties attempts are made to ameliorate the inconsistencies by the insertion of clauses (often a "Paramount Clause") intended to make the Hague or Hague-Visby Rules contractually applicable to the charter party as well as to bills of lading issued under it. As appears from earlier sections of this report these attempts to incorporate contractually into charter parties a set of Rules designed to apply mandatorily to bill of lading contracts gives rise to both uncertainty and dispute. For example:

(1) It may be unclear whether the incorporating clause is, in law, effective to incorporate the Hague or Hague-Visby Rules into the charter party at all; and if it is in principle effective, which Rules are applicable and which are not.

(2) It may be unclear whether particular provisions of the Hague or Hague-Visby Rules have the same meaning in the contractual context of a charter party as they have in the context of a bill of lading.

(3) Questions may arise, depending on the manner of incorporation, whether in the context of the charter party, the Rules are indeed "Paramount" or whether in certain respects the Rules are overridden by other clauses of the charter party.

(4) Disparities in the regimes of responsibility for cargo between bills of lading and charter parties and between head and sub-charters give rise to uncertainties and disputes as to rights of indemnity between shipowners and charterers in respect of cargo claims.

(5) Different national laws may provide different answers to all such questions.

As also appears from earlier sections of this report, modern updated versions of standard form charter parties and newly drafted charter party forms have not successfully solved these problems.

412. Many developed country respondents to the UNCTAD secretariat's enquiries expressed strong views that the application of mandatory legislation to charter parties would eliminate the essential flexibility inherent in a system which allows the parties complete freedom to make the contract they want. But with mandatory legislation covering similar ground to the matters covered by the Hague and Hague-Visby Rules, the parties to a charter party would still be left free to negotiate the special terms they required for their particular charter. Further, even in the absence of mandatory international legislation, national laws do not leave the parties to a charter party completely free to determine their own contract. Thus, wide deviation clauses are struck down or construed narrowly, warranties are implied in regard to seaworthiness and other matters, rules are developed to limit the scope of exceptions clauses, and standards of reasonableness are introduced where they may not have been intended. And in all such respects, the Courts of one country may adopt wholely different approaches to the Courts of another country. Although charter party contracts are not contracts of adhesion in the same way as are most bill of lading contracts, many of the arguments which justify the mandatory application of the Hague Rules or Hague-Visby Rules to bills of lading apply to charter parties; in particular, those pertaining to greater certainty, greater clarity and greater uniformity.

413. It has also been pointed out, as an argument against mandatory legislation, that the great majority of charter parties today incorporate the Hague or Hague-Visby Rules either by express reference in the printed forms or by inclusion in typescript addenda. Even if this is an argument against mandatory legislation - and it might be said that it points the other way - the contractual incorporation into charter parties of Rules designed for application to bills of lading not only creates legal difficulties in the relationship between charter parties and bills of lading issued under them (matters which have been dealt with above), but also in the interpretation of the charter parties themselves.

414. It is, therefore, considered that in order, effectively, to carry through into charter parties a similar scheme of responsibility for cargo to that in the Hague or Hague-Visby Rules, a set of "tailor-made" rules mandatorily applicable to charter parties is required.

415. In principle the similar standards of responsability as are applied mandatorally to bills of lading under the Hague and Hague-Visby Rules should be applied mandatorally to charter parties. That is to say Rules should be formulated, with specific reference to charter parties, to cover the following main areas of responsiblity:

Seaworthiness
Care of cargo
Obligations in regard to bills of lading issued under charter parties
Limitation of actions
Rights and immunities of the shipowner
Deviation
Limitation of liability
Dangerous cargo

416. It is, however, proposed that the secretariat carry out further studies and inquiries in order to determine:

(1) the impact of such mandatory Rules if applied to voyage charter parties alone or if applied to both voyage and time charter parties;

(2) the impact of such mandatory Rules if applied only to the operations referred to in Article II of the Hague Rules, or if applied to all voyages and all operations under a charter party.

417. Thereafter, the secretariat would report further to the Working Group with recommendations as to the exact scope of the mandatory legislation to be applied to charter parties

C. Definitions of basic terms used in charter parties

418. The Executive Council of the Comité Maritime International (CMI) in September 1976 resolved to ascertain whether it would be possible to reduce disputes under charter parties by drafting definitions of commonly used terms. It was agreed that the ideal would be to have definitions covering all aspects of charter parties, but it was resolved that laytime should be the first subject for consideration. A working group under the auspices of the CMI, BIMCO (The Baltic and International Maritime Council) and GCBS (The General Council of British Shipping) was set up. A draft set of laytime definitions was considered at a plenary meeting of the CMI in 1977 after which an international working group was set up, including representatives of FONASBA (The Federation of National Associations of Ship Brokers and Agents). Ultimately, a final set of definitions under the title of "Charter Party Laytime Definitions 1980" was issued jointly by BIMCO, CMI, FONASBA and GCBS in December 1980. The definitions are intended for contractual incorporation into charter parties, and the preamble to the definitions reads :

> "The definitions which follow (except such as are expressly excluded by the deletion or otherwise) shall apply to words and phrases used in the charter party, save only to the extent that any definition or part thereof is inconsistent with any other express provision of the charter party. Words used in these definitions shall themselves be construed in accordance with any definition given to them therein. Words or phrases which are merely variations or alternative forms of words of phrases herein defined are to be construed in accordance with the definition, (e.g. "Notification of Vessel's Readiness," "Notice of Readiness")."

419. The definitions are therefore not "paramount". So far as the secretariat is aware, neither the above-mentioned organizations nor any other national or international organization have produced agreed definitions of other terms used in charter parties. One reason for this may be that, according to enquiries made by the secretariat, the "Charter Party Laytime Definitions 1980" are not in practice used by charterers and shipowners to any significant extent. Furthermore, the organizations concerned with the issue and amendment of standard charter forms have not chosen to include the agreed definitions in any standard-form charter parties issued by them.

420. Definitions of certain charter party terms would obviously assist in reducing disputes. But plainly that aim will only be achieved if agreed definitions are actually incorporated by the parties into their contracts. It is proposed that the most effective encouragement of the use of definitions would be the inclusion of the agreed definitions in the printed forms of charter parties. The inclusion of the definitions in the printed forms would not prevent the parties deleting the definitions from the printed forms if they positively objected to them in their particular contract.

421. Accordingly, it is proposed that the drafting of agreed definitions of charter party terms should be considered in conjunction with the drafting of charter party clauses referred to under A. above.

422. The terms in charter parties considered most suitable for agreed definitions (apart from laytime and demurrage) are those used in :

exception clauses
lien clauses
clauses relating to loading stowage and discharging of cargo
clauses relating to payment of freight and hire
off-hire clauses
clauses defining the period of time charters.

423. It is, therefore, suggested to determine, after consultation with the relevant organizations, which charter party terms are suitable for inclusion in agreed charter party definitions. Thereafter, draft definitions may be prepared, with the assistance of those organizations, for consideration of the WGISL.

424. Subsequently, further studies would be carried out by the UNCTAD secretariat to determine the best means of encouraging the widest use of the core charter party clauses and agreed definitions and to take such further action as appears necessary in this regard.

ANNEX I

Adopted by the Documentary Committee of the Chamber of Shipping of the United Kingdom and the Documentary Committee of The Japan Shipping Exchange, Inc.

Issued 1/1/1909
Amended 12/1/1911
Amended 6/1/1912
Amended 16/4/1920
Amended 1/1/1939
Amended 1/1/1950
Amended 1/1/1974

THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE
UNIFORM TIME-CHARTER (Box Layout 1974)
CODE NAME: "BALTIME 1939"

PART I

1. Shipbroker	2. Place and date
3. Owners/Place of business	4. Charterers/Place of business
5. Vessel's name	6. GRT/NRT
7. Class	8. Indicated horse power
9. Total tons d.w. (abt.) on Board of Trade summer freeboard	10. Cubic feet grain/bale capacity
11. Permanent bunkers (abt.)	
12. Speed capability in knots (abt.) on a consumption in tons (abt.) of	
13. Present position	
14. Period of hire (Cl. 1)	15. Port of delivery (Cl. 1)
	16. Time of delivery (Cl. 1)
17. (a) Trade limits (Cl. 2)	
(b) Cargo exclusions specially agreed	
18. Bunkers on re-delivery (state min. and max. quantity) (Cl. 5)	
19. Charter hire (Cl. 6)	20. Hire payment (state currency, method and place of payment; also beneficiary and bank account) (Cl. 6)
21. Place or range of re-delivery (Cl. 7)	22. War (only to be filled in if Section (C) agreed) (Cl. 21)
23. Cancelling date (Cl. 22)	24. Place of arbitration (only to be filled in if place other than London agreed) (Cl. 23)
25. Brokerage commission and to whom payable (Cl. 25)	26. Numbers of additional clauses covering special provisions, if agreed

It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include Part I as well as Part II. In the event of a conflict of conditions, the provisions of Part I shall prevail over those of Part II to the extent of such conflict.

Signature (Owners)	Signature (Charterers)

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PART II
"BALTIME 1939" Uniform Time-Charter (Box Layout 1974)

It is agreed between the party mentioned in Box 3 as Owners of the Vessel named in Box 5 of the gross/net Register tonnage indicated in Box 6, classed as stated in Box 7 and of indicated horse power as stated in Box 8, carrying about the number of tons deadweight indicated in Box 9 on Board of Trade summer freeboard inclusive of bunkers, stores, provisions and boiler water, having as per builder's plan a cubic-feet grain/bale capacity as stated in Box 10, exclusive of permanent bunkers, which contain about the number of tons stated in Box 11, and fully loaded capable of steaming about the number of knots indicated in Box 12 in good weather and smooth water on a consumption of about the number of tons best Welsh coal or oil-fuel stated in Box 12, now in position as stated in Box 13 and the party mentioned as Charterers in Box 4, as follows:

1. Period/Port of Delivery/Time of Delivery
The Owners let, and the Charterers hire the Vessel for a period of the number of calendar months indicated in Box 14 from the time (not a Sunday or a legal Holiday unless taken over) the Vessel is delivered and placed at the disposal of the Charterers between 9 a.m. and 6 p.m., or between 9 a.m. and 2 p.m. if on Saturday, at the port stated in Box 15 in such available berth where she can safely lie always afloat, as the Charterers may direct, she being in every way fitted for ordinary cargo service.
The Vessel to be delivered at the time indicated in Box 16.

2. Trade
The Vessel to be employed in lawful trades for the carriage of lawful merchandise only between good and safe ports or places where she can safely lie always afloat within the limits stated in Box 17.
No live stock nor injurious, inflammable or dangerous goods (such as acids, explosives, calcium carbide, ferro silicon, naphtha, motor spirit, tar, or any of their products) to be shipped.

3. Owners to Provide
The Owners to provide and pay for all provisions and wages, for insurance of the Vessel, for all deck and engine-room stores and maintain her in a thoroughly efficient state in hull and machinery during service.
The Owners to provide one winchman per hatch. If further winchmen are required, or if the stevedores refuse or are not permitted to work with the Crew, the Charterers to provide and pay qualified shore-winchmen.

4. Charterers to Provide
The Charterers to provide and pay for all coals, including galley coal, oil-fuel, water for boilers, port charges, pilotages (whether compulsory or not), canal steersmen, boatage, lights, tug-assistance, consular charges (except those pertaining to the Master, Officers and Crew), canal, dock and other dues and charges, including any foreign general municipality or state taxes, also all dock, harbour and tonnage dues at the ports of delivery and re-delivery (unless incurred through cargo carried before delivery or after re-delivery), agencies, commissions, also to arrange and pay for loading, trimming, stowing (including dunnage and shifting boards, excepting any already on board), unloading, weighing, tallying and delivery of cargoes, surveys on hatches, meals supplied to officials and men in their service and all other charges and expenses whatsoever including detention and expenses through quarantine (including cost of fumigation and disinfection).
All ropes, slings and special runners actually used for loading and discharging and any special gear, including special ropes, hawsers and chains required by the custom of the port for mooring to be for the Charterers' account. The Vessel to be fitted with winches, derricks, wheels and ordinary runners capable of handling lifts up to 2 tons.

5. Bunkers
The Charterers at port of delivery and the Owners at port of re-delivery to take over and pay for all coal or oil-fuel remaining in the Vessel's bunkers at current price at the respective ports.
The Vessel to be re-delivered with not less than the number of tons and not exceeding the number of tons of coal or oil-fuel in the Vessel's bunkers stated in Box 18.

6. Hire
The Charterers to pay as hire the rate stated in Box 19 per 30 days, commencing in accordance with Clause 1 until her re-delivery to the Owners.

Payment
Payment of hire to be made in cash, in the currency stated in Box 20, without discount, every 30 days, in advance, and in the manner prescribed in Box 20.
In default of payment the Owners to have the right of withdrawing the Vessel from the service of the Charterers, without noting any protest and without interference by any court or any other formality whatsoever and without prejudice to any claim the Owners may otherwise have on the Charterers under the Charter.

7. Re-delivery
The Vessel to be re-delivered on the expiration of the Charter in the same good order as when delivered to the Charterers (fair wear and tear excepted) at an ice-free port in the Charterers' option at the place or within the range stated in Box 21, between 9 a.m. and 6 p.m., and 9 a.m. and 2 p.m. on Saturday, but the day of re-delivery shall not be a Sunday or legal Holiday.

Notice
The Charterers to give the Owners not less than ten days' notice at which port and on about which day the Vessel will be re-delivered.
Should the Vessel be ordered on a voyage by which the Charter period will be exceeded the Charterers to have the use of the Vessel to enable them to complete the voyage, provided it could be reasonably calculated that the voyage would allow re-delivery about the time fixed for the termination of the Charter, but for any time exceeding the termination date the Charterers to pay the market rate if higher than the rate stipulated herein.

8. Cargo Space
The whole reach and burthen of the Vessel, including lawful deck-capacity to be at the Charterers' disposal, reserving proper and sufficient space for the Vessel's Master, Officers, Crew, tackle, apparel, furniture, provisions and stores.

9. Master
The Master to prosecute all voyages with the utmost despatch and to render customary assistance with the Vessel's Crew. The Master to be under the orders of the Charterers as regards employment, agency, or other arrangements. The Charterers to indemnify the Owners against all consequences or liabilities arising from the Master, Officers or Agents signing Bills of Lading or other documents or otherwise complying with such orders, as well as from any irregularity in the Vessel's papers or for overcarrying goods.
The Owners not to be responsible for shortage, mixture, marks, nor for number of pieces or packages, nor for damage to or claims on cargo caused by bad stowage or otherwise.
If the Charterers have reason to be dissatisfied with the conduct of the Master, Officers, or Engineers, the Owners, on receiving particulars of the complaint, promptly to investigate the matter, and, if necessary and practicable, to make a change in the appointments.

10. Directions and Logs
The Charterers to furnish the Master with all instructions and sailing directions and the Master and Engineer to keep full and correct logs accessible to the Charterers or their Agents.

11. Suspension of Hire etc.
(A) In the event of drydocking or other necessary measures to maintain the efficiency of the Vessel, deficiency of men or Owners' stores, breakdown of machinery, damage to hull or other accident, either hindering or preventing the working of the Vessel and continuing for more than twenty-four consecutive hours, no hire to be paid in respect of any time lost thereby during the period in which the Vessel is unable to perform the service immediately required. Any hire paid in advance to be adjusted accordingly.
(B) In the event of the Vessel being driven into port or to anchorage through stress of weather, trading to shallow harbours or to rivers or ports with bars or suffering an accident to her cargo, any detention of the Vessel and/or expenses resulting from such detention to be for the Charterers' account even if such detention and/or expenses, or the cause by reason of which either is incurred, be due to, or be contributed to by, the negligence of the Owners' servants.

12. Cleaning Boilers
Cleaning of boilers whenever possible to be done during service, but if impossible the Charterers to give the Owners necessary time for cleaning. Should the Vessel be detained beyond 48 hours hire to cease until again ready.

13. Responsibility and Exemption
The Owners only to be responsible for delay in delivery of the Vessel or for delay during the currency of the Charter and for loss or damage to goods onboard, if such delay or loss has been caused by want of due diligence on the part of the Owners or their Manager in making the Vessel seaworthy and fitted for the voyage or any other personal act or omission or default of the Owners or their Manager. The Owners not to be responsible in any other case nor for damage or delay whatsoever and howsoever caused even if caused by the neglect or default of their servants. The Owners not to be liable for loss or damage arising or resulting from strikes, lock-outs or stoppage or restraint of labour (including the Master, Officers or Crew) whether partial or general.
The Charterers to be responsible for loss or damage caused to the Vessel or to the Owners by goods being loaded contrary to the terms of the Charter or by improper or careless bunkering or loading, stowing or discharging of goods or any other improper or negligent act on their part or that of their servants.

14. Advances
The Charterers or their Agents to advance to the Master, if required, necessary funds for ordinary disbursements for the Vessel's account at any port charging only interest at 6 per cent. p. a., such advances to be deducted from hire.

15. Excluded Ports
The Vessel not to be ordered to nor bound to enter: a) any place where fever or epidemics are prevalent or to which the Master, Officers and Crew by law are not bound to follow the Vessel

Ice

b) any ice-bound place or any place where lights, lightships, marks and buoys are or are likely to be withdrawn by reason of ice on the Vessel's arrival or where there is risk that ordinarily the Vessel will not be able on account of ice to reach the place or to get out after having completed loading or discharging. The Vessel not to be obliged to force ice. If on account of ice the Master considers it dangerous to remain at the loading or discharging place for fear of the Vessel being frozen in and/or damaged, he has liberty to sail to a convenient open place and await the Charterers' fresh instructions.
Unforeseen detention through any of above causes to be for the Charterers' account.

16. Loss of Vessel
Should the Vessel be lost or missing, hire to cease from the date when she was lost. If the date of loss cannot be ascertained half hire to be paid from the date the Vessel was last reported until the calculated date of arrival at the destination. Any hire paid in advance to be adjusted accordingly.

17. Overtime
The Vessel to work day and night if required. The Charterers to refund the Owners their outlays for all overtime paid to Officers and Crew according to the hours and rates stated in the Vessel's articles.

18. Lien
The Owners to have a lien upon all cargoes and sub-freights belonging to the Time-Charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.

19. Salvage
All salvage and assistance to other vessels to be for the Owners' and the Charterers' equal benefit after deducting the Master's and Crew's proportion and all legal and other expenses including hire paid under the charter for time lost in the salvage, also repairs of damage and coal or oil-fuel consumed. The Charterers to be bound by all measures taken by the Owners in order to secure payment of salvage and to fix its amount.

20. Sublet
The Charterers to have the option of subletting the Vessel, giving due notice to the Owners, but the original Charterers always to remain responsible to the Owners for due performance of the Charter.

21. War
(A) The Vessel unless the consent of the Owners be first obtained not to be ordered nor continue to any place or on any voyage nor be used on any service which will bring her within a zone which is dangerous as the result of any actual or threatened act of war, war hostilities, warlike operations, acts of piracy or of hostility or malicious damage against this or any other vessel or its cargo by any person, body or State whatsoever, revolution, civil war, civil commotion or the operation of international law, nor be exposed in any way to any risks or penalties whatsoever consequent upon the imposition of Sanctions, nor carry any goods that may in any way expose her to any risks of seizure, capture, penalties or any other interference of any kind whatsoever by the belligerent or fighting powers or parties or by any Government or Ruler.

(B) Should the Vessel approach or be brought or ordered within such zone, or be exposed in any way to the said risks, (1) the Owners to be entitled from time to time to insure their interests in the Vessel and/or hire against any of the risks likely to be involved thereby on such terms as they shall think fit, the Charterers to make a refund to the Owners of the premium on demand; and (2) notwithstanding the terms of Clause 11 hire to be paid for all time lost including any time lost owing to loss of or injury to the Master, Officers, or Crew or to the action of the Crew in refusing to proceed to such zone or to be exposed to such risks.

(C) In the event of the wages of the Master, Officers and/or Crew or the cost of provisions and/or stores for deck and/or engine room and/or insurance premiums being increased by reason of or during the existence of any of the matters mentioned in section (A) the amount of any increase to be added to the hire and paid by the Charterers on production of the Owners' account therefor, such account being rendered monthly.

(D) The Vessel to have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination, delivery or in any other wise whatsoever given by the Government of the nation under whose flag the Vessel sails or any other Government or any person (or body) acting or purporting to act with the authority of such Government or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such orders or directions.

(E) In the event of the nation under whose flag the Vessel sails becoming involved in war, hostilities, warlike operations, revolution, or civil commotion, both the Owners and the Charterers may cancel the Charter and, unless otherwise agreed, the Vessel to be re-delivered to the Owners at the port of destination or, if prevented through the provisions of section (A) from reaching or entering it, then at a near open and safe port at the Owners' option, after discharge of any cargo on board.

(F) If in compliance with the provisions of this clause anything is done or is not done, such not to be deemed a deviation.
Section (C) is optional and should be considered deleted unless agreed according to Box 22.

22. Cancelling
Should the Vessel not be delivered by the date indicated in Box 23, the Charterers to have the option of cancelling.
If the Vessel cannot be delivered by the cancelling date, the Charterers, if required, to declare within 48 hours after receiving notice thereof whether they cancel or will take delivery of the Vessel.

23. Arbitration
Any dispute arising under the Charter to be referred to arbitration in London (or such other place as may be agreed according to Box 24) one Arbitrator to be nominated by the Owners and the other by the Charterers, and in case the Arbitrators shall not agree then to the decision of an Umpire to be appointed by them, the award of the Arbitrators or the Umpire to be final and binding upon both parties.

24. General Average
General Average to be settled according to York/Antwerp Rules, 1974. Hire not to contribute to General Average.

25. Commission
The Owners to pay a commission at the rate stated in Box 25 to the party mentioned in Box 25 on any hire paid under the Charter, but in no case less than is necessary to cover the actual expenses of the Brokers and a reasonable fee for their work. If the full hire is not paid owing to breach of Charter by either of the parties the party liable therefor to indemnify the Brokers against their loss of commission.
Should the parties agree to cancel the Charter, the Owners to indemnify the Brokers against any loss of commission but in such case the commission not to exceed the brokerage on one year's hire.

Time Charter

GOVERNMENT FORM

Approved by the New York Produce Exchange

November 6th, 1913—Amended October 20th, 1921; August 6th, 1931; October 3rd, 1946

This Charter Party, made and concluded in.....day of.....19.....

Between.....

Owners of the good.....{Steamship / Motorship}.....of.....

of.....tons gross register, and.....tons net register, having engines of.....indicated horse power

and with hull, machinery and equipment in a thoroughly efficient state, and classed.....

at.....of about.....cubic feet bale capacity, and about.....tons of 2240 lbs.

deadweight capacity (cargo and bunkers, including fresh water and stores not exceeding one and one-half percent of ship's deadweight capacity,

allowing a minimum of fifty tons) on a draft of.....feet.....inches on.....Summer freeboard, inclusive of permanent bunkers,

which are of the capacity of about.....tons of fuel, and capable of steaming, fully laden, under good weather

conditions about.....knots on a consumption of about.....tons of best Welsh coal—best grade fuel oil—best grade Diesel oil,

now.....

.....and.....Charterers of the City of.....

Witnesseth, That the said Owners agree to let, and the said Charterers agree to hire the said vessel, from the time of delivery, for

about.....

.....within below mentioned trading limits.

Charterers to have liberty to sublet the vessel for all or any part of the time covered by this Charter, but Charterers remaining responsible for the fulfillment of this Charter Party.

Vessel to be placed at the disposal of the Charterers, at.....

.....

in such dock or at such wharf or place (where she may safely lie, always afloat, at all times of tide, except as otherwise provided in clause No. 6), as the Charterers may direct. If such dock, wharf or place be not available time to count as provided for in clause No. 5. Vessel on her delivery to be ready to receive cargo with clean-swept holds and tight, staunch, strong and in every way fitted for the service, having water ballast, winches and donkey boiler with sufficient steam power, or if not equipped with donkey boiler, then other power sufficient to run all the winches at one and the same time (and with full complement of officers, seamen, engineers and firemen for a vessel of her tonnage), to be employed, in carrying lawful merchandise, including petroleum or its products, in proper containers, excluding.....

(vessel is not to be employed in the carriage of Live Stock, but Charterers are to have the privilege of shipping a small number on deck at their risk, all necessary fittings and other requirements to be for account of Charterers), in such lawful trades, between safe port and/or ports in British North America, and/or United States of America, and/or West Indies, and/or Central America, and/or Caribbean Sea, and/or Gulf of Mexico, and/or Mexico, and/or South America.....and/or Europe and/or Africa, and/or Asia, and/or Australia, and/or Tasmania, and/or New Zealand, but excluding Magdalena River, River St. Lawrence between October 31st and May 15th, Hudson Bay and all unsafe ports; also excluding, when out of season, White Sea, Black Sea and the Baltic,

.....

.....

.....

as the Charterers or their Agents shall direct, on the following conditions:

1. That the Owners shall provide and pay for all provisions, wages and consular shipping and discharging fees of the Crew; shall pay for the insurance of the vessel, also for all the cabin, deck, engine-room and other necessary stores, including boiler water and maintain her class and keep the vessel in a thoroughly efficient state in hull, machinery and equipment for and during the service.

2. That the Charterers shall provide and pay for all the fuel except as otherwise agreed, Port Charges, Pilotages, Agencies, Commissions, Consular Charges (except those pertaining to the Crew), and all other usual expenses except those before stated, but when the vessel puts into a port for causes for which vessel is responsible, then all such charges incurred shall be paid by the Owners. Fumigations ordered because of illness of the crew to be for Owners account. Fumigations ordered because of cargoes carried or ports visited while vessel is employed under this charter to be for Charterers account. All other fumigations to be for Charterers account after vessel has been on charter for a continuous period of six months or more.

Charterers are to provide necessary dunnage and shifting boards, also any extra fittings requisite for a special trade or unusual cargo, but Owners to allow them the use of any dunnage and shifting boards already aboard vessel. Charterers to have the privilege of using shifting boards for dunnage, they making good any damage thereto.

3. That the Charterers, at the port of delivery, and the Owners, at the port of re-delivery, shall take over and pay for all fuel remaining on board the vessel at the current prices in the respective ports, the vessel to be delivered with not less than.....tons and not more than

.....tons and to be re-delivered with not less than.....tons and not more than.....tons.

4. That the Charterers shall pay for the use and hire of the said Vessel at the rate of.....

.....United States Currency per ton on vessel's total deadweight carrying capacity, including bunkers and stores, on.....summer freeboard, per Calendar Month, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire to continue until the hour of the day of her re-delivery in like good order and condition, ordinary wear and tear excepted, to the Owners (unless lost) at.....

.....unless otherwise mutually agreed. Charterers are to give Owners not less than.....days notice of vessels expected date of re-delivery, and probable port.

5. Payment of said hire to be made in New York in cash in United States Currency, semi-monthly in advance, and for the last half month or part of same the approximate amount of hire, and should same not cover the actual time, hire is to be paid for the balance day by day, as it becomes due, if so required by Owners, unless bank guarantee or deposit is made by the Charterers, otherwise failing the punctual and regular payment of the hire, or bank guarantee, or on any breach of this Charter Party, the Owners shall be at liberty to withdraw the vessel from the service of the Charterers, without prejudice to any claim they (the Owners) may otherwise have on the Charterers. Time to count from 7 a.m. on the working day following that on which written notice of readiness has been given to Charterers or their Agents before 4 p.m., but if required by Charterers, they to have the privilege of using vessel at once, such time used to count as hire.

Cash for vessel's ordinary disbursements at any port may be advanced as required by the Captain, by the Charterers or their Agents, subject to 2½% commission and such advances shall be deducted from the hire. The Charterers, however, shall in no way be responsible for the application of such advances.

6. That the cargo or cargoes be laden and/or discharged in any dock or at any wharf or place that Charterers or their Agents may direct, provided the vessel can safely lie always afloat at any time of tide, except at such places where it is customary for similar size vessels to safely lie aground.

7. That the whole reach of the Vessel's Hold, Decks, and usual places of loading (not more than she can reasonably stow and carry), also accommodations for Supercargo, if carried, shall be at the Charterers' disposal, reserving only proper and sufficient space for Ship's officers, crew, tackle, apparel, furniture, provisions, stores and fuel. Charterers have the privilege of passengers as far as accommodations allow, Charterers paying Owners.....per day per passenger for accommodations and meals. However, it is agreed that in case any fines or extra expenses are incurred in the consequence of the carriage of passengers, Charterers are to bear such risk and expense.

8. That the Captain shall prosecute his voyages with the utmost despatch, and shall render all customary assistance with ship's crew and boats. The Captain (although appointed by the Owners), shall be under the orders and directions of the Charterers as regards employment and agency; and Charterers are to load, stow, and trim the cargo at their expense under the supervision of the Captain, who is to sign Bills of Lading for cargo as presented, in conformity with Mate's or Tally Clerk's receipts.

9. That if the Charterers shall have reason to be dissatisfied with the conduct of the Captain, Officers, or Engineers, the Owners shall on receiving particulars of the complaint, investigate the same, and, if necessary, make a change in the appointments.

10. That the Charterers shall have permission to appoint a Supercargo, who shall accompany the vessel and see that voyages are prosecuted with the utmost despatch. He is to be furnished with free accommodation, and same fare as provided for Captain's table, Charterers paying at the rate of $1.00 per day. Owners to victual Pilots and Customs Officers, and also, when authorized by Charterers or their Agents, to victual Tally Clerks, Stevedore's Foreman, etc., Charterers paying at the current rate per meal, for all such victualling.

11. That the Charterers shall furnish the Captain from time to time with all requisite instructions and sailing directions, in writing, and the Captain shall keep a full and correct Log of the voyage or voyages, which are to be patent to the Charterers or their Agents, and furnish the Charterers, their Agents or Supercargo, when required, with a true copy of daily Logs, showing the course of the vessel and distance run and the consumption of fuel.

12. That the Captain shall use diligence in caring for the ventilation of the cargo.

13. That the Charterers shall have the option of continuing this charter for a further period of.....

.....

on giving written notice thereof to the Owners or their Agents.....days previous to the expiration of the first-named term, or any declared option.

14. That if required by Charterers, time not to commence before.....and should vessel not have given written notice of readiness on or before.....but not later than 4 p.m. Charterers or their Agents to have the option of cancelling this Charter at any time not later than the day of vessel's readiness.

15. That in the event of the loss of time from deficiency of men or stores, fire, breakdown or damages to hull, machinery or equipment, grounding, detention by average accidents to ship or cargo, drydocking for the purpose of examination or painting bottom, or by any other cause preventing the full working of the vessel, the payment of hire shall cease for the time thereby lost; and if upon the voyage the speed be reduced by defect in or breakdown of any part of her hull, machinery or equipment, the time so lost, and the cost of any extra fuel consumed in consequence thereof, and all extra expenses shall be deducted from the hire.

16. That should the Vessel be lost, money paid in advance and not earned (reckoning from the date of loss or being last heard of) shall be returned to the Charterers at once. The act of God, enemies, fire, restraint of Princes, Rulers and People, and all dangers and accidents of the Seas, Rivers, Machinery, Boilers and Steam Navigation, and errors of Navigation throughout this Charter Party, always mutually excepted.

The vessel shall have the liberty to sail with or without pilots, to tow and to be towed, to assist vessels in distress, and to deviate for the purpose of saving life and property.

17. That should any dispute arise between Owners and the Charterers, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them, shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of the Court. The Arbitrators shall be commercial men.

18. That the Owners shall have a lien upon all cargoes, and all sub-freights for any amounts due under this Charter, including General Average contributions, and the Charterers to have a lien on the Ship for all monies paid in advance and not earned, and any overpaid hire or excess deposit to be returned at once. Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the owners in the vessel.

19. That all derelicts and salvage shall be for Owners' and Charterers' equal benefit after deducting Owners' and Charterers' expenses and Crew's proportion. General Average shall be adjusted, stated and settled, according to Rules 1 to 15, inclusive, 17 to 22, inclusive, and Rule F of York-Antwerp Rules 1924, at such port or place in the United States as may be selected by the carrier, and as to matters not provided for by these Rules, according to the laws and usages at the port of New York. In such adjustment disbursements in foreign currencies shall be exchanged into United States money at the rate prevailing on the dates made and allowances for damage to cargo claimed in foreign currency shall be converted at the rate prevailing on the last day of discharge at the port or place of final discharge of such damaged cargo from the ship. Average agreement or bond and such additional security, as may be required by the carrier, must be furnished before delivery of the goods. Such cash deposit as the carrier or his agents may deem sufficient as additional security for the contribution of the goods and for any salvage and special charges thereon, shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery. Such deposit shall, at the option of the carrier, be payable in United States money and be remitted to the adjuster. When so remitted the deposit shall be held in a special account at the place of adjustment in the name of the adjuster pending settlement of the General Average and refunds or credit balances, if any, shall be paid in United States money.

In the event of accident, danger, damage, or disaster, before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible, by statute, contract, or otherwise, the goods, the shipper and the consignee, jointly and severally, shall contribute with the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully and in the same manner as if such salving ship or ships belonged to strangers.

Provisions as to General Average in accordance with the above are to be included in all bills of lading issued hereunder.

20. Fuel used by the vessel while off hire, also for cooking, condensing water, or for grates and stoves to be agreed to as to quantity, and the cost of replacing same, to be allowed by Owners.

21. That as the vessel may be from time to time employed in tropical waters during the term of this Charter, Vessel is to be docked at a convenient place, bottom cleaned and painted whenever Charterers and Captain think necessary, at least once in every six months, reckoning from time of last painting, and payment of the hire to be suspended until she is again in proper state for the service.

.....

.....

22. Owners shall maintain the gear of the ship as fitted, providing gear (for all derricks) capable of handling lifts up to three tons, also providing ropes, falls, slings and blocks. If vessel is fitted with derricks capable of handling heavier lifts, Owners are to provide necessary gear for same, otherwise equipment and gear for heavier lifts shall be for Charterers' account. Owners also to provide on the vessel lanterns and oil for night work, and vessel to give use of electric light when so fitted, but any additional lights over those on board to be at Charterers' expense. The Charterers to have the use of any gear on board the vessel.

23. Vessel to work night and day, if required by Charterers, and all winches to be at Charterers' disposal during loading and discharging; steamer to provide one winchman per hatch to work winches day and night, as required, Charterers agreeing to pay officers, engineers, winchmen, deck hands and donkeymen for overtime work done in accordance with the working hours and rates stated in the ship's articles. If the rules of the port, or labor unions, prevent crew from driving winches, shore Winchmen to be paid by Charterers. In the event of a disabled winch or winches, or insufficient power to operate winches, Owners to pay for shore engine, or engines, in lieu thereof, if required, and pay any loss of time occasioned thereby.

24. It is also mutually agreed that this Charter is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress of the United States approved on the 13th day of February, 1893, and entitled "An Act relating to Navigation of Vessels; etc.," in respect of all cargo shipped under this charter to or from the United States of America. It is further subject to the following clauses, both of which are to be included in all bills of lading issued hereunder:

U. S. A. Clause Paramount

This bill of lading shall have effect subject to the provisons of the Carriage of Goods by Sea Act of the United States, approved April 16, 1936, which shall be deemed to be incorporated herein, and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said Act. If any term of this bill of lading be repugnant to said Act to any extent, such term shall be void to that extent, but no further.

Both-to-Blame Collision Clause

If the ship comes into collison with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.

25. The vessel shall not be required to enter any ice-bound port, or any port where lights or light-ships have been or are about to be withdrawn by reason of ice, or where there is risk that in the ordinary course of things the vessel will not be able on account of ice to safely enter the port or to get out after having completed loading or discharging.

26. Nothing herein stated is to be construed as a demise of the vessel to the Time Charterers. The owners to remain responsible for the navigation of the vessel, insurance, crew, and all other matters, same as when trading for their own account.

27. A commission of 2½ per cent is payable by the Vessel and Owners to

.....

on hire earned and paid under this Charter, and also upon any continuation or extension of this Charter.

28. An address commission of 2½ per cent payable t.....on the hire earned and paid under this Charter.

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ANNEX III

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Code Name: ASBATIME

TIME CHARTER

New York Produce Exchange Form

November 6th, 1913 — Amended October 20th, 1921; August 6th, 1931; October 3rd, 1946; June 12th, 1981

THIS CHARTER PARTY, made and concluded in .....
..... day of ..... 19 .....
Owners between .....
..... Owners of
the good ..... Steamship / Motorship .....
Description of Vessel of ..... of ..... tons gross register, and
..... tons net register, having engines of .....
horsepower and with hull, machinery and equipment in a thoroughly efficient
state, and classed ..... of about
..... cubic feet grain/bale capacity .....
....., and about
..... long/metric tons deadweight capacity (cargo and
bunkers, including fresh water and stores not exceeding .....
long/metric tons) on a salt water draft of ..... on summer
freeboard, inclusive of permanent bunkers, which are of the capacity of about
..... long/metric tons of
..... fuel oil and .....
long/metric tons of ....., and
capable of steaming, fully laden, under good weather conditions about
..... knots on a consumption of about .....
long/metric tons of .....
.....
now .....
..... and
Charterers .....
..... Charterers of the City of .....

The Owners agree to let and the Charterers agree to hire the vessel from the
Duration time of delivery for about .....
.....
..... within below mentioned trading limits.

Sublet Charterers shall have liberty to sublet the vessel for all or any part of the time covered by this Charter, but Charterers shall remain responsible for the fulfillment of this Charter.

Delivery Vessel shall be placed at the disposal of the Charterers .....
.....
.....
.....
in such dock or at such berth or place (where she may safely lie, always afloat, at all times of tide, except as otherwise provided in Clause 6) as the Charterers may direct. If such dock, berth or place be not available, time shall count as provided in Clause 5. Vessel on her delivery shall be ready to receive cargo with clean-swept holds and tight, staunch, strong and in every way fitted for ordinary cargo service, having water ballast and with sufficient power to operate all cargo-handling gear simultaneously (and with full complement of officers and crew for a vessel of her tonnage), to be employed in carrying lawful merchandise excluding any goods of a dangerous, injurious, flammable or corrosive
Dangerous Cargo nature unless carried in accordance with the requirements or recommendations of the proper authorities of the state of the vessel's registry and of the states of ports of shipment and discharge and of any intermediate states or ports through whose waters the vessel must pass. Without prejudice to the generality of the foregoing, in addition the following are specifically excluded:
Cargo Exclusions livestock of any description, arms, ammunition, explosives .....
.....
.....
.....
.....

Trading Limits The vessel shall be employed in such lawful trades between safe ports and places within .....
..... excluding .....
.....
.....
.....
as the Charterers or their agents shall direct, on the following conditions:

Owners to Provide 1. The Owners shall provide and pay for the insurance of the vessel and for all provisions, cabin, deck, engine-room and other necessary stores, including boiler water; shall pay for wages, consular shipping and discharging fees of the crew and charges for port services pertaining to the crew; shall maintain vessel's class and keep her in a thoroughly efficient state in hull,

machinery and equipment for and during the service.

Charterers to Provide

2. The Charterers, while the vessel is on hire, shall provide and pay for all the fuel except as otherwise agreed, port charges, pilotages, towages, agencies, commissions, consular charges (except those pertaining to individual crew members or flag of the vessel), and all other usual expenses except those stated in Clause 1, but when the vessel puts into a port for causes for which vessel is responsible, then all such charges incurred shall be paid by the Owners. Fumigations ordered because of illness of the crew shall be for Owners' account. Fumigations ordered because of cargoes carried or ports visited while vessel is employed under this Charter shall be for Charterers' account. All other fumigations shall be for Charterers' account after vessel has been on charter for a continuous period of six months or more.

Charterers shall provide necessary dunnage and shifting boards, also any extra fittings requisite for a special trade or unusual cargo, but Owners shall allow them the use of any dunnage and shifting boards already aboard vessel.

Bunkers on Delivery and Redelivery

3. The Charterers on delivery, and the Owners on redelivery, shall take over and pay for all fuel and diesel oil remaining on board the vessel as hereunder. The vessel shall be delivered with: ..... long/metric* tons of fuel oil at the price of ..... per ton; ..... tons of diesel oil at the price of ..... per ton. The vessel shall be redelivered with: ..... tons of fuel oil at the price of ..... per ton; .....tons of diesel oil at the price of ..... per ton ....

(*Same tons apply throughout this clause)

Rate of Hire

4. The Charterers shall pay for the use and hire of the said vessel at the rate of ..... daily, or ..... United States Currency per ton on vessel's total deadweight carrying capacity, including bunkers and stores, on ..... summer freeboard, per calendar month, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire shall continue until the hour of the

Redelivery Areas and Notices

day of her redelivery in like good order and condition, ordinary wear and tear excepted, to the Owners (unless vessel lost) at .... unless otherwise mutually agreed. Charterers shall give Owners not less than ..... days notice of vessel's expected date of redelivery and probable port ....

Hire Payment and Commencement

5. Payment of hire shall be made so as to be received by Owners or their designated payee in New York, i.e. .... in United States Currency, in funds available to the Owners on the due date, semi-monthly in advance, and for the last half month or part of same the approximate amount of hire, and should same not cover the actual time, hire shall be paid for the balance day by day as it becomes due, if so required by Owners. Failing the punctual and regular payment of the hire, or on any breach of this Charter, the Owners shall be at liberty to withdraw the vessel from the service of the Charterers without prejudice to any claims they (the Owners) may otherwise have on the Charterers.

Time shall count from 7 A.M. on the working day following that on which written notice of readiness has been given to Charterers or their agents before 4 P.M., but if required by Charterers, they shall have the privilege of using vessel at once, in which case the vessel will be on hire from the commencement of work.

Cash Advances

Cash for vessel's ordinary disbursements at any port may be advanced, as required by the Captain, by the Charterers or their agents, subject to 2½ percent commission and such advances shall be deducted from the hire. The Charterers, however, shall in no way be responsible for the application of such advances.

Berths

6. Vessel shall be loaded and discharged in any dock or at any berth or place that Charterers or their agents may direct, provided the vessel can safely lie always afloat at any time of tide, except at such places where it is customary for similar size vessels to safely lie aground.

Spaces Available

7. The whole reach of the vessel's holds, decks, and usual places of loading (not more than she can reasonably and safely stow and carry), also accommodations for supercargo, if carried, shall be at the Charterers' disposal, reserving only proper and sufficient space for ship's officers, crew, tackle, apparel, furniture, provisions, stores and fuel.

Prosecution of Voyages

8. The Captain shall prosecute his voyages with due despatch, and shall render all customary assistance with ship's crew and boats. The Captain (although appointed by the Owners) shall be under the orders and directions of the Charterers as regards employment and agency; and Charterers are to perform all cargo handling at their expense under the supervision of the

S.S./M.S. ..... Charter Dated .....

Captain, who is to sign the bills of lading for cargo as presented in conformity with mate's or tally clerk's receipts. However, at Charterers' option, the Charterers or their agents may sign bills of lading on behalf of the Captain always in conformity with mate's or tally clerk's receipts. All bills of lading shall be without prejudice to this Charter and the Charterers shall indemnify the Owners against all consequences or liabilities which may arise from any inconsistency between this Charter and any bills of lading or waybills signed by the Charterers or their agents or by the Captain at their request.

Bills of Lading

Conduct of Captain

9. If the Charterers shall have reason to be dissatisfied with the conduct of the Captain or officers, the Owners shall, on receiving particulars of the complaint, investigate the same, and, if necessary, make a change in the appointments.

Supercargo and Meals

10. The Charterers are entitled to appoint a supercargo, who shall accompany the vessel and see that voyages are prosecuted with due despatch. He is to be furnished with free accommodation and same fare as provided for Captain's table, Charterers paying at the rate of ..... per day. Owners shall victual pilots and customs officers, and also, when authorized by Charterers or their agents, shall victual tally clerks, stevedore's foreman, etc., Charterers paying at the rate of ..... per meal for all such victualling.

Sailing Orders and Logs

11. The Charterers shall furnish the Captain from time to time with all requisite instructions and sailing directions, in writing, and the Captain shall keep full and correct deck and engine logs of the voyage or voyages, which are to be patent to the Charterers or their agents, and furnish the Charterers, their agents or supercargo, when required, with a true copy of such deck and engine logs, showing the course of the vessel, distance run and the consumption of fuel.

Ventilation

12. The Captain shall use diligence in caring for the ventilation of the cargo.

Continuation

13. The Charterers shall have the option of continuing this Charter for a further period of ....

Laydays/ Cancelling

14. If required by Charterers, time shall not commence before .... and should vessel not have given written notice of readiness on or before ..... but not later than 4 P.M. Charterers or their agents shall have the option of cancelling this Charter at any time not later than the day of vessel's readiness.

Off Hire

15. In the event of the loss of time from deficiency and/or default of officers or crew or deficiency of stores, fire, breakdown of, or damages to, hull, machinery or equipment, grounding, detention by average accidents to ship or cargo unless resulting from inherent vice, quality or defect of the cargo, drydocking for the purpose of examination or painting bottom, or by any other similar cause preventing the full working of the vessel, the payment of hire and overtime, if any, shall cease for the time thereby lost. Should the vessel deviate or put back during a voyage, contrary to the orders or directions of the Charterers, for any reason other than accident to the cargo, the hire is to be suspended from the time of her deviating or putting back until she is again in the same or equidistant position from the destination and the voyage resumed therefrom. All fuel used by the vessel while off hire shall be for Owners' account. In the event of the vessel being driven into port or to anchorage through stress of weather, trading to shallow harbors or to rivers or ports with bars, any detention of the vessel and/or expenses resulting from such detention shall be for the Charterers' account. If upon the voyage the speed be reduced by defect in, or breakdown of, any part of her hull, machinery or equipment, the time so lost, and the cost of any extra fuel consumed in consequence thereof, and all extra expenses shall be deducted from the hire.

Total Loss

16. Should the vessel be lost, money paid in advance and not earned (reckoning from the date of loss or being last heard of) shall be returned to the Charterers at once.

Exceptions

The act of God, enemies, fire, restraint of princes, rulers and people, and all dangers and accidents of the seas, rivers, machinery, boilers and steam navigation, and errors of navigation throughout this Charter, always mutually excepted.

Liberties

The vessel shall have the liberty to sail with or without pilots, to tow and to be towed, to assist vessels in distress, and to deviate for the purpose of saving life and property.

Arbitration

17. Should any dispute arise between Owners and the Charterers, the matter in dispute shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision, or that of any two of them, shall be final and for the purpose of enforcing any award this agreement may be made a rule of the Court. The arbitrators shall be commercial men conversant with shipping matters.

Liens

18. The Owners shall have a lien upon all cargoes and all sub-freights for any amounts due under this Charter, including general average contributions, and the Charterers shall have a lien on the ship for all monies paid in advance and not earned, and any overpaid hire or excess deposit to be returned at once.

Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the vessel.

Salvage

19. All derelicts and salvage shall be for Owners' and Charterers' equal benefit after deducting Owners' and Charterers' expenses and crew's proportion.

General Average

General average shall be adjusted, according to York-Antwerp Rules 1974, at such port or place in the United States as may be selected by the Owners and as to matters not provided for by these Rules, according to the laws and usage at the port of New York. In such adjustment disbursements in foreign currencies shall be exchanged into United States money at the rate prevailing on the dates made and allowances for damage to cargo claimed in foreign currency shall be converted at the rate prevailing on the last day of discharge at the port or place of final discharge of such damaged cargo from the ship. Average agreement or bond and such additional security, as may be required by the Owners, must be furnished before delivery of the goods. Such cash deposit as the Owners or their agents may deem sufficient as additional security for the contribution of the goods and for any salvage and special charges thereon, shall, if required, be made by the goods, shippers, consignees or owners of the goods to the Owners before delivery. Such deposit shall, at the option of the Owners, be payable in United States money and remitted to the adjuster. When so remitted the deposit shall be held in a special account at the place of adjustment in the name of the adjuster pending settlement of the general average and refunds or credit balances, if any, shall be paid in United States money.

York-Antwerp Rules

Charterers shall procure that all bills of lading issued during the currency of the Charter will contain a provision to the effect that general average shall be adjusted according to York-Antwerp Rules 1974 and will include the "New Jason Clause" as per Clause 23.

Drydocking

20. The vessel was last drydocked ..... The Owners shall have the option to place the vessel in drydock during the currency of this Charter at a convenient time and place, to be mutually agreed upon between Owners and Charterers, for bottom cleaning and painting and/or repair as required by class or dictated by circumstances. Payment of hire shall be suspended upon deviation from Charterers' service until vessel is again placed at Charterers' disposal at a point not less favorable to Charterers than when the hire was suspended. .....

.....

.....

Cargo Gear

21. Owners shall maintain the cargo-handling gear of the ship which is as follows: .....

.....

.....

providing gear (for all derricks or cranes) capable of lifting capacity as described. Owners shall also provide on the vessel for night work lights as on board, but all additional lights over those on board shall be at Charterers' expense. The Charterers shall have the use of any gear on board the vessel. If required by Charterers, the vessel shall work night and day and all cargo-handling gear shall be at Charterers' disposal during loading and discharging.

Stevedore Stand-by

In the event of disabled cargo-handling gear, or insufficient power to operate the same, the vessel is to be considered to be off hire to the extent that time is actually lost to the Charterers and Owners to pay stevedore stand-by charges occasioned thereby. If required by the Charterers, the Owners are to bear the cost of hiring shore gear in lieu thereof.

Crew Overtime

22. In lieu of any overtime payments to officers and crew for work ordered by Charterers or their agents, Charterers shall pay Owners $ ..... per month or pro rata.

Clauses Paramount

23. The following clause is to be included in all bills of lading issued hereunder:

This bill of lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, the Hague Rules, or the Hague-Visby Rules, as applicable, or such other similar national legislation as may mandatorily apply by virtue of origin or destination of the bills of lading, which shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said applicable Act. If any term of this bill of lading be repugnant to said applicable Act to any extent, such term shall be void to that extent, but no further.

This Charter is subject to the following clauses all of which are to be included in all bills of lading issued hereunder:

New Both-to-Blame Collision Clause

If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners insofar as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off,

S.S./M.S. ..... **Charter Dated** .....

recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact.

New Jason Clause

In the event of accident, danger, damage or disaster before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract, or otherwise, the goods, shippers, consignees, or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery.

War Clauses

(a) No contraband of war shall be shipped. Vessel shall not be required, without the consent of Owners, which shall not be unreasonably withheld, to enter any port or zone which is involved in a state of war, warlike operations, or hostilities, civil strife, insurrection or piracy whether there be a declaration of war or not, where vessel, cargo or crew might reasonably be expected to be subject to capture, seizure or arrest, or to a hostile act by a belligerent power (the term "power" meaning any de jure or de facto authority or any purported governmental organization maintaining naval, military or air forces).

(b) If such consent is given by Owners, Charterers will pay the provable additional cost of insuring vessel against hull war risks in an amount equal to the value under her ordinary hull policy but not exceeding a valuation of ..... In addition, Owners may purchase and Charterers will pay for war risk insurance on ancillary risks such as loss of hire, freight disbursements, total loss, blocking and trapping, etc. If such insurance is not obtainable commercially or through a government program, vessel shall not be required to enter or remain at any such port or zone.

(c) In the event of the existence of the conditions described in (a) subsequent to the date of this Charter, or while vessel is on hire under this Charter, Charterers shall, in respect of voyages to any such port or zone assume the provable additional cost of wages and insurance properly incurred in connection with master, officers and crew as a consequence of such war, warlike operations or hostilities.

Ice

24. The vessel shall not be required to enter or remain in any icebound port or area, nor any port or area where lights or lightships have been or are about to be withdrawn by reason of ice, nor where there is risk that in the ordinary course of things the vessel will not be able on account of ice to safely enter and remain in the port or area or to get out after having completed loading or discharging.

Navigation

25. Nothing herein stated is to be construed as a demise of the vessel to the Time Charterers. The Owners shall remain responsible for the navigation of the vessel, acts of pilots and tug boats, insurance, crew, and all other similar matters, same as when trading for their own account.

Commissions

26. A commission of ..... percent is payable by the vessel and Owners to .....
.....
on hire earned and paid under this Charter, and also upon any continuation or extension of this Charter.

Address

27. An address commission of ..... percent is payable to .....
.....
on hire earned and paid under this Charter.

Rider

Rider Clauses ..... as attached hereto are incorporated in this Charter.

Rider of Suggested Additional Clauses

(None of these Clauses apply unless expressly agreed during the negotiations and enumerated in line 362)

Extension of Cancelling

28. If it clearly appears that, despite the exercise of due diligence by Owners, the vessel will not be ready for delivery by the cancelling date, and provided Owners are able to state with reasonable certainty the date on which the vessel will be ready, they may, at the earliest seven days before the vessel is expected to sail for the port or place of delivery, require Charterers to declare whether or not they will cancel the Charter. Should Charterers elect not to cancel, or should they fail to reply within seven days or by the cancelling date, whichever shall first occur, then the seventh day after the expected date of readiness for delivery as notified by Owners shall replace the original cancelling date. Should the vessel be further delayed, Owners shall be entitled to require further declarations of Charterers in accordance with this Clause.

Grace Period

29. Where there is failure to make "punctual and regular payment" of hire, Charterers shall be given by Owners two clear banking days (as recognized at the agreed place of payment) written notice to rectify the failure, and when so rectified within those two days following Owners' notice, the payment shall stand as regular and punctual. Payment received by Owners' bank after the original due date will bear interest at the rate of 0.1 percent per day which shall be payable immediately by Charterers in addition to hire.

At any time while hire is outstanding the Owners shall be absolutely entitled to withhold the performance of any and all of their obligations hereunder and shall have no responsibility whatsoever for any consequences thereof in respect of which the Charterers hereby indemnify the Owners and hire shall continue to accrue and any extra expenses resulting from such withholding shall be for the Charterers' account.

Cargo Claims

30. Damage to and claims on cargo shall be for Owners' account if caused by unseaworthiness of the vessel, but shall be for Charterers' account if caused by handling and stowage, including slackage. Claims for shortage ex ship shall be shared equally between Owners and Charterers.

War Cancellation

31. In the event of the outbreak of war (whether there be a declaration of war or not) between any two or more of the following countries: The United States of America, the United Kingdom, France, the Union of Soviet Socialist Republics, the People's Republic of China, ...
.....
.....
or in the event of the nation under whose flag the vessel sails becoming involved in war (whether there be a declaration of war or not), either the Owners or the Charterers may cancel this Charter. Whereupon the Charterers shall redeliver the vessel to the Owners in accordance with Clause 4; if she has cargo on board, after discharge thereof at destination, or, if debarred under this Clause from reaching or entering it, at a near open and safe port as directed by the Owners; or, if she has no cargo on board, at the port at which she then is; or, if at sea, at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 4 and except as aforesaid all other provisions of this Charter shall apply until redelivery.

War Bonus

32. Any war bonus to officers and crew due to vessel's trading or cargo carried shall be for Charterers' account.

Requisition

33. Should the vessel be requisitioned by the government of the vessel's flag during the period of this Charter, the vessel shall be deemed to be off hire during the period of such requisition, and any hire paid by the said government in respect of such requisition period shall be retained by Owners. The period during which the vessel is on requisition to the said government shall count as part of the period provided for in this Charter.

If the period of requisition exceeds .....months, either party shall have the option of cancelling this Charter and no consequential claim may be made by either party.

On/Off-hire Survey

34. Prior to delivery and redelivery the parties shall each appoint surveyors, for their respective accounts, who shall conduct joint on-hire/off-hire surveys. A single report shall be prepared on each occasion and signed by each surveyor, without prejudice to his right to file a separate report setting forth items upon which the surveyors cannot agree. If either party fails to have a representative attend the survey and sign the joint survey report, such party shall nevertheless be bound for all purposes by the findings in any report prepared by the other party. On-hire survey shall be on Charterers' time and off-hire survey on Owners' time.

Stevedore Damage

35. Any damage caused by stevedores during the currency of this Charter shall be reported by Captain to Charterers or their agents, in writing, within 24 hours of the occurrence or as soon as possible thereafter. The Captain shall use his best efforts to obtain written acknowledgement by responsible parties

causing damage unless damage should have been made good in the mean-
time.

Stevedore damages involving seaworthiness shall be repaired without delay to the vessel after each occurrence in Charterers' time and shall be paid for by the Charterers. Other minor repairs shall be done at the same time, but if this is not possible, same shall be repaired while vessel is in drydock in Owners' time, provided this does not interfere with Owners' repair work, or by vessel's crew at Owners' convenience. All costs of such repairs shall be for Charterers' account. Any time spent in repairing stevedore damage shall be for Charterers' account.

Charterers shall pay for stevedore damages whether or not payment has been made by stevedores to Charterers.

Charterers' Colors

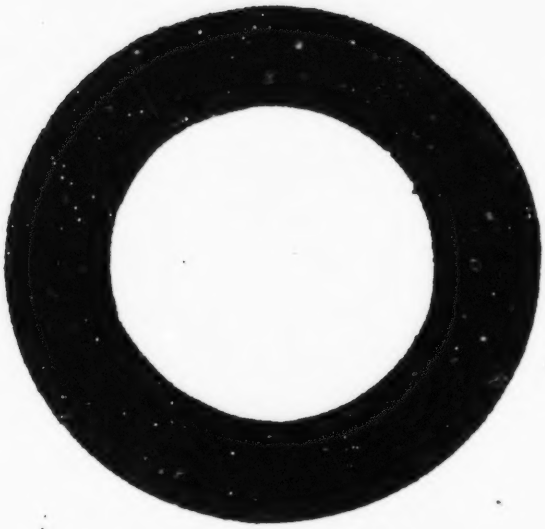
36. Charterers shall have the privilege of flying their own house flag and painting the vessel with their own markings. The vessel shall be repainted in Owners' colors before termination of the Charter. Cost and time of painting, maintaining and repainting those changes effected by Charterers shall be for Charterers' account.

Return Premium

37. Charterers shall have the benefit of any return insurance premium receivable by Owners from their underwriters as and when received from underwriters by reason of vessel being in port for a minimum period of 30 days if on full hire for this period or pro rata for the time actually on hire.

Water Pollution

38. The vessel shall be off hire during any time lost on account of vessel's non-compliance with government and/or state and/or provincial regulations pertaining to water pollution. In cases where vessel calls at a U.S. port, Owners warrant to have secured and carry on board the vessel a Certificate of Financial Responsibility as required under U.S. law.



ANNEX IV

45-0

THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE
Deep Sea Time Charter (Box Layout 1974)
CODE NAME: "LINERTIME" **PART I**

1. Shipbroker		2. Place and date	
3. Owners/Place of business		4. Charterers/Place of business	
5. Vessel's name	6. GRT/NRT	7. Class	8. Indicated horse power
9. Total tons d.w. (abt.) on summer freeboard		10. Quantity of stores, provisions and fresh water not exceeding (tons)	
11. Cubic-feet grain/bale capacity available for cargo		12. Permanent bunkers (abt.)	
13. Speed capability in knots (abt.) on a consumption per 24 hours of (abt.)		14. Present position	
15. Period of hire (Cl. 1)		16. Port of delivery (also indicate alternative (a) or (b)) (Cl. 1)	
		17. Time for delivery (Cl. 1)	
18. Number of days' notice of expected date of delivery (Cl. 1)		19. Cancelling date (Cl. 2)	
20. Trade limits (also indicate alternative (a) or (b)) (Cl. 3)			
21. Injurious, inflammable or dangerous goods limited to (also state name of authorities concerned) (Cl. 3)		22. Vessel's cargo handling gear (Cl. 5)	
23. Fuel consumption in port per 24 hours (abt.) (Cl. 5)		24. Bunker price (indicate alternative (a) or (b) and fixed price if agreed) (Cl. 6)	
25. Bunkers on delivery (state min. and max. quantities) (Cl. 6)		26. Bunkers on re-delivery (state min. and max. quantities) (Cl. 6)	
27. Charter hire (also indicate alternative (a) or (b)) (Cl. 7)		28. Hire payment (state currency, mode and place of payment; also beneficiary and bank account) (Cl. 7)	
29. Place or range of re-delivery (Cl. 8)		30. Number of days' preliminary and final notice of port and date of re-delivery (Cl. 8)	
31. Suspension of hire etc. (indic. no. of consecutive hours) (Cl. 14 (A))		32. Cleaning of boilers etc. (indicate number of hours) (Cl. 15)	
33. Advances (only to be filled in if special agreement made) (Cl. 16)		34. Overtime (state lumpsum or if other special agreement made) (Cl. 19)	
35. War (only to be filled in if Section (C) agreed) (Cl. 23)		36. General average to be settled in (Cl. 24)	
37. Supercargo (state price agreed) (Cl. 27)		38. Meals (state price agreed) (Cl. 28)	
39. Brokerage commission and to whom payable (Cl. 33)			
40. Numbers of additional clauses covering special provisions, if agreed			

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Issued September 1st, 1968

It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include Part I as well as Part II. In the event of a conflict of conditions, the provisions of Part I shall prevail over those of Part II to the extent of such conflict.

Signature (for the Owners)	Signature (for the Charterers)

Printed and sold by Fr. G. Knudtzon Ltd., 55, Toldbodgade, Copenhagen.
by authority of The Baltic and International Maritime Conference, Copenhagen.

PART II

"LINERTIME" Deep Sea Time Charter

It is agreed between the party mentioned in Box 3 as Owners of the Vessel named in Box 5 of the gross/net Register tons indicated in Box 6, classed as stated in Box 7 and of indicated horse power as stated in Box 8, carrying about the number of tons deadweight indicated in Box 9 on summer freeboard inclusive of bunkers, as well as stores, provisions and fresh water not exceeding the number of tons indicated in Box 10 having a cubic-feet grain/bale capacity available for cargo as stated in Box 11, exclusive of permanent bunkers, which contain about the number of tons stated in Box 12, and fully loaded capable of steaming about the number of knots indicated in Box 13 in good weather and smooth water on a consumption of about the number of tons stated in Box 13 per 24 hours, now in position as stated in Box 14, and the party mentioned as Charterers in Box 4, as follows:

1. Period and Port of Delivery

The Owners let, and the Charterers hire the Vessel for a period of the number of calendar months indicated in Box 15 from the time (not a Sunday or a legal Holiday unless taken over) the Vessel is delivered and placed at the disposal of the Charterers between 7 a.m. and 10 p.m., or between 7 a.m. and noon if on Saturday, at the port stated in Box 16 in such ready berth where she can safely lie

(a) always afloat*

(b) always afloat or safely aground where it is customary for vessels of similar size and draught to be safe aground*

as the Charterers may direct, she being in every way fitted for ordinary dry cargo service with cargo holds well swept, cleaned and ready to receive cargo before delivery under this Charter.
(state alternative agreed in Box 16).*

Time for Delivery

The Vessel to be delivered not before the date indicated in Box 17.
The Owners to give the Charterers not less than the number of days' notice stated in Box 18 of the date on which the Vessel is expected to be ready for delivery.
The Owners to keep the Charterers closely advised of possible changes in Vessel's position.

2. Cancelling

Should the Vessel not be delivered by the date indicated in Box 19, the Charterers to have the option of cancelling.
If the Vessel cannot be delivered by the cancelling date, the Charterers, if required, to declare within 48 hours (Sundays and Holidays excluded) after receiving notice thereof whether they cancel or will take delivery of the Vessel.

3. Trade

The Vessel to be employed in lawful trades for the carriage of lawful merchandise only between good and safe ports or places where she can safely lie

(a) always afloat*

(b) always afloat or safely aground where it is customary for vessels of similar size and draught to be safe aground*

within the limits as stated in Box 20.
(state alternative agreed in Box 20).*

No live stock, sulphur and pitch in bulk to be shipped. Injurious, inflammable or dangerous goods (such as acids, explosives, calcium carbide, ferro silicon, naphta, motor spirit, tar, or any of their products) to be limited to the number of tons stated in Box 21 and same to be packed, loaded, stowed and discharged in accordance with the regulations of the local authorities and Board of Trade as specified in Box 21, and if any special measures have to be taken by reason of having this cargo aboard including cost of erection and dismantling magazines, etc., same to be at Charterers' expense and in Charterers' time.

Nuclear Fuel

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. This exclusion does not apply to radioisotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.

4. Owners to Provide

The Owners to provide and pay for all provisions and wages, for insurance of the Vessel, for all deck and engine-room stores and maintain her in a thoroughly efficient state in hull and machinery during service.
The Owners to provide one winchman per working hatch. In lieu of winchmen the Charterers are entitled to ask for two watchmen. If further winchmen or watchmen are required, or if the stevedores refuse or are not permitted to work with the Crew, the Charterers to provide and pay qualified men. The gangway watchman to be provided by the Owners but where compulsory to employ gangway watchmen from shore, the expenses to be for the Charterers' account.

5. Charterers to Provide

The Charterers to pay all dock, harbour, light and tonnage dues at the ports of delivery and re-delivery (unless incurred through cargo carried before delivery or after re-delivery).
Whilst on hire the Charterers to provide and pay for all fuel, water for boilers, port charges, pilotages (whether compulsory or not), canal steersmen, boatage, lights, tug-assistance, consular charges (except those payable to the consulates of the country of the Vessel's flag) canal, dock and other dues and charges, including any foreign general municipality or state taxes, agencies, commissions, also to arrange and pay for loading, trimming, stowing (including dunnage and shifting boards, excepting any already on board), unloading, weighing, tallying and delivery of cargoes, surveys on hatches, any other survey on cargo, meals supplied to officials and men in their service at the rate per man per meal indicated in Boxes 37 and 38, respectively, and all other charges and expenses whatsoever.

Cargo Gear

All ropes, slings and special runners actually used for loading and discharging and any special gear, including special ropes, hawsers and chains required by the custom of the port for mooring to be for the Charterers' account unless already on board. The Vessel is fitted with cargo handling gear as specified in Box 22.
This gear is to be kept in full working order for immediate use, the Charterers however to give sufficient notice of their intention to use heavy lift gear.

Cargo Gear Certificate

The Owners guarantee the Vessel possesses cargo gear register and certificates in compliance with requirement of International Labour Organization Convention No. 32.

Fuel Consumption in Port

The Vessel's normal fuel consumption whilst in port working all cargo gear is about the number of tons stated in Box 23 per 24 hours.

6. Bunkers

The Charterers at port of delivery and the Owners at port of re-delivery to take over and pay for all fuel remaining in the Vessel's bunkers at

(a) current price, at the respective ports*

(b) a fixed price per ton*

(state alternative agreed in Box 24)*

The Vessel to be delivered with not less than the number of tons and not exceeding the number of tons stated in Box 25 in the Vessel's bunkers.
The Vessel to be re-delivered with not less than the number of tons and not exceeding the number of tons stated in Box 26 in the Vessel's bunkers.

7. Hire

The Charterers to pay as hire the rate stated in Box 27

(a) per 30 days*

(b) per day*,

commencing in accordance with Clause 1 until her re-delivery to the Owners.
(state alternative agreed in Box 27).*

Payment

Payment of hire to be made in cash, in the currency stated in Box 28 without discount, every 30 days, in advance, and in the manner prescribed in Box 28.
In default of payment the Owners to have the right of withdrawing the Vessel from the service of the Charterers, without noting any protest and without interference by any court or any other formality whatsoever and without prejudice to any claim the Owners may otherwise have on the Charterers under the Charter.

Last Hire Payment

Should the Vessel be on her voyage towards port of re-delivery at time a payment of hire is due, said payment to be made for such length of time as the Owners or their Agents and the Charterers or their Agents may agree upon as estimated time necessary to complete the voyage, taking into account bunkers to be taken over by the Vessel and estimated disbursements for the Owners' account before re-delivery and when the Vessel is re-delivered any difference to be refunded by the Owners or paid by the Charterers, as the case may require.

8. Re-delivery

The Vessel to be re-delivered on the expiration of the Charter in the same good order as when delivered to the Charterers (fair wear and tear excepted) at a safe and ice-free port in the Charterers' option in the place or within the range stated in Box 29 between 7 a.m. and 10 p.m., and 7 a.m. and noon on Saturday, but the day of re-delivery shall not be a Sunday or legal Holiday.
Repairs for the Charterers' account as far as possible to be effected simultaneously with dry-docking or annual repairs, respectively; if any further repairs are required, for time occupied in effecting such repairs the Owners to receive compensation at the hire agreed in this Charter. The Charterers always to be properly notified of the time and place when and where repairs for their account will be performed.

Notice

The Charterers to give the Owners not less than the number of days' preliminary and the number of days' final notice as stated in Box 30 of the port of re-delivery and the date on which the Vessel is expected to be ready for re-delivery. The Charterers to keep the Owners closely advised of possible changes in the Vessel's position.
Should the Vessel be ordered on a voyage by which the Charter period may be exceeded the Charterers to have the use of the Vessel to enable them to complete the voyage, provided it could be reasonably calculated that the voyage would allow re-delivery about the time fixed for the termination of the Charter, but for any time exceeding the termination date the Charterers to pay the market rate if higher than the rate stipulated herein.

9. Cargo Space

The whole reach and burden of the Vessel, including lawful deck-capacity to be at the Charterers' disposal, reserving proper and sufficient space for the Vessel's Master, Officers, Crew, tackle, apparel, furniture, provisions and stores.

10. Master

The Charterers to give the necessary sailing instructions, subject to the limits of the Charter.
The Master to be under the orders of the Charterers as regards employment, agency, or other arrangements. The Master to prosecute all voyages with the utmost despatch and render customary assistance with the Vessel's Crew.
The Master and Engineer to keep full and correct logs including scrap logs accessible to the Charterers or their Agents.
If the Charterers have reason to be dissatisfied with the conduct of the Master, Officers, or Engineers, the Owners on receiving particulars of the complaint, promptly to investigate the matter, and, if necessary and practicable, to make a change in the appointments.

11. Bills of Lading

The Charterers to have the option of using their own regular Bill of Lading form. The Bill of Lading to contain Paramount Clause incorporating Hague Rules legislation, the Amended Jason Clause and the Both-to-Blame Collision Clause.

12. Responsibility

The Charterers shall keep and care for the cargo at loading and discharging ports, arrange for any transhipment, and deliver the cargo at destination.

The Charterers shall load, stow, trim and discharge the cargo at their expense under supervision of the Master who shall sign Bills of Lading as presented, in conformity with Mate's or tally clerk's receipts. The Charterers shall be responsible for the accuracy of all statements of fact in such Bills of Lading.
The Owners shall be liable for claims in respect of cargo arising or resulting from:
a) Failure on their part properly and carefully to carry, keep and care for the cargo while on board.
b) Unreasonable deviation from the voyage described in the Bills of Lading unless such deviation is ordered or approved by the Charterers.
c) Lack of due diligence on their part before and at the beginning of each voyage to make the Vessel seaworthy but claims arising or resulting from faulty preparation of the holds and/or tanks of the Vessel or from bad stowage of the cargo not affecting the trim or stability of the Vessel on sailing shall be the Charterers' liability.
Except as aforesaid the Charterers shall be liable for all cargo claims.
If the cargo is the property of the Charterers, the Owners shall have the same responsibility as they would have had under this Clause had the cargo been the property of a third party and carried under a Bill of Lading incorporating the Hague Rules.
The Charterers shall be liable for Customs or other fines or penalties, whether or not lawfully levied or imposed, relating to the cargo or other property or persons carried with Charterers' approval or to the acts or omissions of the owners of the cargo.
Claims for death and personal injury shall be borne by the Owners unless caused by the act, neglect or default of the Charterers, their servants or agents including stevedores and all others for whom Charterers are responsible under this Charter.
If for any reason the Owners or the Charterers are obliged to pay any claims, Customs or other fines or penalties, for which the other party has assumed liability as above, that other party hereby agrees to indemnify the Owners or Charterers as the case may be against all loss, damage or expenses arising or resulting from such claims. However, the Owners' indemnity to the Charterers under this clause shall be restricted in that amount to which the Owners' liability would have been limited had they been sued directly.

13. Exceptions

As between the Charterers and the Owners, the responsibility for any loss, damage, delay or failure in performance of this Charter, not dealt with in Clause 12, to be subject to the following mutual exceptions:
Act of God, act of war, civil commotions, strikes, lock-outs, restraint of princes and rulers, quarantine restrictions.
Further, such responsibility upon the Owners to be subject to the following exceptions:
Any act or neglect by the Master, pilots or other servants of the Owners in the navigation or management of the Vessel, fire or explosion not due to the personal fault of the Owners or their Manager, collision or stranding, unforeseeable breakdown or any latent defect in the Vessel's hull, equipment or machinery.
The above provisions in no way to affect the provisions as to suspension of hire in this Charter.

14. Suspension of Hire, etc.

(A) In the event of dry-docking or other necessary measures to maintain the efficiency of the Vessel, deficiency of men or Owners' stores, strike of Master, Officers and Crew, breakdown of machinery, damage to hull or other accident, either hindering or preventing the working of the Vessel and continuing for more than the number of consecutive hours indicated in Box 31, no hire to be paid in respect of any time lost thereby during the period in which the Vessel is unable to perform the service immediately required.
Should the Vessel deviate or put back during a voyage, contrary to the orders or directions of the Charterers, for any reason other than accident to the Cargo, the hire to be suspended from the time of her deviating or putting back until she is again in the same or equidistant position from the destination and the voyage resumed therefrom.

Winch Breakdown

In the event of a breakdown of a winch or winches, not caused by carelessness of shore labourers, the time lost to be calculated pro rata for the period of such inefficiency in relation to the number of winches required for work. If the Charterers elect to continue work, the Owners are to pay for shore appliances in lieu of the winches, but in such cases the Charterers to pay full hire.
Any hire paid in advance to be adjusted accordingly.

Detention for Charterers' Account

(B) In the event of the Vessel being driven into port or to anchorage through stress of weather, trading to shallow harbours or to rivers or ports with bars or suffering an accident to her cargo, any detention of the Vessel and/or expenses resulting from such detention to be for the Charterers' account even if such detention and/or expenses, or the cause by reason of which either is incurred, be due to, or be contributed to by, the negligence of the Owners' servants.

Dry-docking

Owners to give the Charterers at least four weeks notice of their intention of dry-docking the ship for bottom painting and normal maintenance work and actual time and place for such dry-docking to be mutually agreed.

15. Cleaning Boilers, etc.

Cleaning of boilers or opening of pistons whenever possible to be done during service, but if impossible the Charterers to give the Owners necessary time for such work at an interval of not less than three months for this purpose. Should the Vessel be detained beyond the number of hours stated in Box 32 hire to cease until again ready. The Owners or the Master to give the Charterers reasonable notice of their intention to clean boilers or open pistons.

16. Advances

The Charterers or their Agents to advance to the Master, if required, necessary funds for ordinary disbursements for the Vessel's account at any port charging only one per cent. commission, such advances to be deducted from hire, unless other agreement is made according to Box 33.

17. Excluded Ports

The Vessel not to be ordered to nor bound to enter:

a) any place where fever or epidemics are prevalent or to which the Master, Officers and Crew by law are not bound to follow the Vessel;

Ice

b) any ice-bound place or any place where lights, lightships, marks and buoys are or are likely to be withdrawn by reason of ice on the Vessel's arrival or where there is risk that ordinarily the Vessel will not be able on account of ice to reach the place or to get out after having completed loading or discharging. The Vessel not to be obliged to force ice, nor to follow ice-breakers when inwards bound. If on account of ice the Master considers it dangerous to remain at the loading or discharging place for fear of the Vessel being frozen in and/or damaged, he has liberty to sail to a convenient open place and await the Charterers' fresh instructions.
Detention through any of above causes to be for the Charterers' account.

18. Loss of Vessel

Should the Vessel be lost or missing, hire to cease from the date when she was lost. If the date of loss cannot be ascertained half hire to be paid from the date the Vessel was last reported until the calculated date of arrival at the destination. Any hire paid in advance to be adjusted accordingly.

19. Overtime

The Vessel to work day and night if required. The Charterers to pay Owners a lumpsum per 30 days as indicated in Box 34 or pro rata for any overtime to Officers and Crew, unless other agreement is made according to Box 34.

20. Lien

The Owners to have a lien upon all cargoes and sub-freights belonging to the Time-Charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.
The Charterers will not suffer, nor permit to be continued any lien or encumbrance incurred by them or their Agents, which might have priority over the title and interest of the Owners in the Vessel.

21. Salvage

All salvage and assistance to other vessels to be for the Owners' and the Charterers' equal benefit after deducting the Master's and Crew's proportion and all legal and other expenses including hire paid under the Charter for time lost in the salvage, also repairs of damage and fuel consumed. The Charterers to be bound by all measures taken by the Owners in order to secure payment of salvage and to fix its amount.

22. Sublet

The Charterers to have the option of subletting the Vessel, giving due notice to the Owners, but the original Charterers always to remain responsible to the Owners for due performance of the Charter.

23. War

(A) The Vessel unless the consent of the Owners be first obtained not to be ordered nor continue to any place or on any voyage nor be used on any service which will bring her within a zone which is dangerous as the result of any actual or threatened act of war, war, hostilities, warlike operations, acts of piracy or of hostility or malicious damage against this or any other vessel or its cargo by any person, body or State whatsoever, revolution, civil war, civil commotion or the operation of international law, nor be exposed in any way to any risks or penalties whatsoever consequent upon the imposition of Sanctions, nor carry any goods that may in any way expose her to any risks of seizure, capture, penalties or any other interference of any kind whatsoever by the belligerent or fighting powers or parties or by any Government or Ruler.
(B) Should the Vessel approach or be brought or ordered within such zone, or be exposed in any way to the said risks,
1) the Owners to be entitled from time to time to insure their interests in the Vessel and/or hire against any of the risks likely to be involved thereby on such terms as they shall think fit, the Charterers to make a refund to the Owners of the premium on demand; and
2) notwithstanding the terms of Clause 14 hire to be paid for all time lost including any lost owing to loss of or injury to the Master, Officers or Crew or to the action of the Crew in refusing to proceed to such zone or to be exposed to such risks.
(C)In the event of the wages and/or war bonus of the Master, Officers and/or Crew or the cost of provisions and/or stores for deck and/or engine room and/or insurance and/or war risk insurance premiums being increased by reason of or during the existence of any of the matters mentioned in Section (A) the amount of any increase to be added to the hire and paid by the Charterers on production of the Owners' account therefor, such account being rendered monthly.
(D) The Vessel to have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination, delivery or in any other wise whatsoever given by the Government of the nation under whose flag the Vessel sails or any other Government or any person (or body) acting or purporting to act with the authority of such Government or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such orders or directions.
(E) In the event of the outbreak of war (whether there be a declaration of war or not) between any two or more of the following countries: the United Kingdom, the United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China and
in the event of the nation under whose flag the Vessel sails becoming involved in war (whether there be a declaration of war or not)
either the Owners or the Charterers may cancel this Charter, whereupon the Charterers shall re-deliver the Vessel to the Owners in accordance with Clause 8, if she has cargo on board after discharge thereof at destination or if debarred under this clause from reaching or entering it at a near open and safe port as directed by the Owners, or if she has no cargo on board, at the port at which she then is or if at sea at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 7 and except as aforesaid all other provisions of this Charter shall apply until re-delivery.
(F) If in compliance with the provisions of this clause anything is done or is not done, such not to be deemed a deviation.
Section (C) is optional and should be considered deleted unless agreed according to Box 35.

24. General Average

General Average to be settled in the place stated in Box 36 according to York/Antwerp Rules, 1974. Hire not to contribute to General Average.

25. Fumigation

Expenses in connection with fumigations and/or quarantine ordered because of cargoes carried or ports visited while the Vessel is employed under this Charter to be for the Charterers' account. Expenses in connection with all other fumigations and/or quarantine to be for the Owners' account.

26. Funnel Mark

The Charterers to have the option of painting the Vessel's funnel in their own colours, but the Vessel to be re-delivered with the Owners' colours. Painting and repainting to be for the Charterers' account and time to count. The Charterers also to have the option of flying their house flag during the currency of this Charter.

27. Supercargo

The Charterers to have the option of placing a Supercargo on board, they paying the price stated in Box 37 per day for lodging and victualling at the Master's table.

28. Meals

The Owners to victual pilots and Customs officers and also, when authorised by Charterers or their Agents, to victual tally clerks, stevedores' foremen, Charterers' guests, etc., the Charterers paying the price stated in Box 38 per man per meal, for all such victualling.

29. Light

The Owners to supply light on deck and in holds, as on board at all times, free of expense to the Charterers, unless electrical clusters from shore are compulsory, in which case same to be for the Charterers' account.

30. Stevedoring Damage

The Owners to instruct the Master to report in writing to the Supercargo, if on board, and to the Charterers and/or their Agents at the port involved, about any stevedoring damage caused to the Vessel. Such reports to be made immediately after the damage is done unless the damage could not be detected at once in spite of close supervision of the stevedoring.

31. Ballast

If any ballast is required, all expenses for same, including time used in loading and discharging, to be for the Owners' account.

32. Arbitration

Any dispute arising under the Charter to be referred to arbitration in London, one Arbitrator to be nominated by the Owners and the other by the Charterers, and in case the Arbitrators shall not agree then to the decision of an Umpire to be appointed by them, the award of the Arbitrators or the Umpire to be final and binding upon both parties.

If either of the appointed Arbitrators refuses to act, or is incapable of acting, or dies, the party who appointed him may appoint a new Arbitrator in his place.

If one party fails to appoint an Arbitrator, either originally, or by way of substitution as aforesaid, for seven clear days after the other party, having appointed his Arbitrator, has served the party making default with notice to make the appointment, the party who has appointed an Arbitrator may appoint that Arbitrator to act as sole Arbitrator in the reference and his award shall be binding on both parties as if he had been appointed by consent.

33. Commission

The Owners to pay a commission at the rate stated in Box 39 to the party mentioned in Box 39 on any hire paid under the Charter but in no case less than is necessary to cover the actual expenses of the Brokers and a reasonable fee for their work. If the full hire is not paid owing to breach of Charter by either of the parties the party liable therefor to indemnify the Brokers against their loss of commission.

Should the parties agree to cancel the Charter, the Owners to indemnify the Brokers against any loss of commission but in such case the commission not to exceed the brokerage on one year's hire.

ANNEX V

19-0

Adopted by the Documentary Committee of the General Council of British Shipping, Ltd. and the Documentary Committee of The Japan Shipping Exchange, Inc., Tokyo

1. Shipbroker	**RECOMMENDED** **THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE** **UNIFORM GENERAL CHARTER (AS REVISED 1922 and 1976)** **INCLUDING "F.I.O." ALTERNATIVE, ETC.** **(To be used for trades for which no approved form is in force)** **CODE NAME: "GENCON"** **Part I**
	2. Place and date
3. Owners/Place of business (Cl. 1)	4. Charterers/Place of business (Cl. 1)
5. Vessel's name (Cl. 1)	6. GRT/NRT (Cl. 1)
7. Deadweight cargo carrying capacity in tons (abt.) (Cl. 1)	8. Present position (Cl. 1)
9. Expected ready to load (abt.) (Cl. 1)	
10. Loading port or place (Cl. 1)	11. Discharging port or place (Cl. 1)
12. Cargo (also state quantity and margin in Owners' option, if agreed; if full and complete cargo not agreed state "part cargo") (Cl. 1)	
13. Freight rate (also state if payable on delivered or intaken quantity) (Cl. 1)	14. Freight payment (state currency and method of payment; also beneficiary and bank account) (Cl. 4)
15. Loading and discharging costs (state alternative (a) or (b) of Cl. 5; also indicate if vessel is gearless)	16. Laytime (if separate laytime for load. and disch. is agreed, fill in a) and b). If total laytime for load. and disch., fill in c) only.) (Cl. 6) a) Laytime for loading
17. Shippers (state name and address) (Cl. 6)	b) Laytime for discharging c) Total laytime for loading and discharging
18. Demurrage rate (loading and discharging) (Cl. 7)	19. Cancelling date (Cl. 10)
20. Brokerage commission and to whom payable (Cl. 14)	
21. Additional clauses covering special provisions, if agreed.	

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It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include Part I as well as Part II. In the event of a conflict of conditions, the provisions of Part I shall prevail over those of Part II to the extent of such conflict.

Signature (Owners)	**Signature (Charterers)**

Printed and sold by Fr. G. Knudtzon Ltd., 55, Toldbodgade, Copenhagen, by authority of The Baltic and International Maritime Conference (BIMCO), Copenhagen.

PART II

"Gencon" Charter (As Revised 1922 and 1976)

Including "F.I.O." Alternative, etc.

1. It is agreed between the party mentioned in Box 3 as Owners of the steamer or motor-vessel named in Box 5, of the gross/nett Register tons indicated in Box 6 and carrying about the number of tons of deadweight cargo stated in Box 7, now in position as stated in Box 8 and expected ready to load under this Charter about the date indicated in Box 9, and the party mentioned as Charterers in Box 4 that:

The said vessel shall proceed to the loading port or place stated in Box 10 or so near thereto as she may safely get and lie always afloat, and there load a full and complete cargo (if shipment of deck cargo agreed same to be at Charterers' risk) as stated in Box 12 (Charterers to provide all mats and/or wood for dunnage and any separations required, the Owners allowing the use of any dunnage wood on board if required) which the Charterers bind themselves to ship, and being so loaded the vessel shall proceed to the discharging port or place stated in Box 11 as ordered on signing Bills of Lading or so near thereto as she may safely get and lie always afloat and there deliver the cargo on being paid freight on delivered or intaken quantity as indicated in Box 13 at the rate stated in Box 13.

2. Owners' Responsibility Clause

Owners are to be responsible for loss of or damage to the goods or for delay in delivery of the goods only in case the loss, damage or delay has been caused by the improper or negligent stowage of the goods (unless stowage performed by shippers/Charterers or their stevedores or servants) or by personal want of due diligence on the part of the Owners or their Manager to make the vessel in all respects seaworthy and to secure that she is properly manned, equipped and supplied or by the personal act or default of the Owners or their Manager.

And the Owners are responsible for no loss or damage or delay arising from any other cause whatsoever, even from the neglect or default of the Captain or crew or some other person employed by the Owners on board or ashore for whose acts they would, but for this clause, be responsible, or from unseaworthiness of the vessel on loading or commencement of the voyage or at any time whatsoever. Damage caused by contact with or leakage, smell or evaporation from other goods or by the inflammable or explosive nature or insufficient package of other goods not to be considered as caused by improper or negligent stowage, even if in fact so caused.

3. Deviation Clause

The vessel has liberty to call at any port or ports in any order, for any purpose, to sail without pilots, to tow and/or assist vessels in all situations, and also to deviate for the purpose of saving life and/or property.

4. Payment of Freight

The freight to be paid in the manner prescribed in Box 14 in cash without discount on delivery of the cargo at mean rate of exchange ruling on day or days of payment, the receivers of the cargo being bound to pay freight on account during delivery, if required by Captain or Owners.

Cash for vessel's ordinary disbursements at port of loading to be advanced by Charterers if required at highest current rate of exchange, subject to two per cent. to cover insurance and other expenses.

5. Loading/Discharging Costs

* *(a) Gross Terms*

The cargo to be brought alongside in such a manner as to enable vessel to take the goods with her own tackle. Charterers to procure and pay the necessary men on shore or on board the lighters to do the work there, vessel only heaving the cargo on board.

If the loading takes place by elevator, cargo to be put free in vessel's holds, Owners only paying trimming expenses.

Any pieces and/or packages of cargo over two tons weight, shall be loaded, stowed and discharged by Charterers at their risk and expense. The cargo to be received by Merchants at their risk and expense alongside the vessel not beyond the reach of her tackle.

* *(b) F.I.o. and free stowed/trimmed*

The cargo shall be brought into the holds, loaded, stowed and/or trimmed and taken from the holds and discharged by the Charterers or their Agents, free of any risk, liability and expense whatsoever to the Owners.

The Owners shall provide winches, motive power and winchmen from the Crew if requested and permitted; if not, the Charterers shall provide and pay for winchmen from shore and/or cranes, if any. (This provision shall not apply if vessel is gearless and stated as such in Box 15).

* *indicate alternative (a) or (b), as agreed, in Box 15.*

6. Laytime

* *(a) Separate laytime for loading and discharging*

The cargo shall be loaded within the number of running hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time actually used shall count.

The cargo shall be discharged within the number of running hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time actually used shall count.

* *(b) Total laytime for loading and discharging*

The cargo shall be loaded and discharged within the number of total running hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time actually used shall count.

(c) Commencement of laytime (loading and discharging)

Laytime for loading and discharging shall commence at 1 p.m. if notice of readiness is given before noon, and at 6 a.m. next working day if notice given during office hours after noon. Notice at loading port to be given to the Shippers named in Box 17.

Time actually used before commencement of laytime shall count.

Time lost in waiting for berth to count as loading or discharging time, as the case may be.

* *indicate alternative (a) or (b) as agreed, in Box 16.*

7. Demurrage

Ten running days on demurrage at the rate stated in Box 18 per day or pro rata for any part of a day, payable day by day, to be allowed Merchants altogether at ports of loading and discharging.

8. Lien Clause

Owners shall have a lien on the cargo for freight, dead-freight, demurrage and damages for detention. Charterers shall remain responsible for dead-freight and demurrage (including damages for detention), incurred at port of loading. Charterers shall also remain responsible for freight and demurrage (including damages for detention) incurred at port of discharge, but only to such extent as the Owners have been unable to obtain payment thereof by exercising the lien on the cargo.

9. Bills of Lading

The Captain to sign Bills of Lading at such rate of freight as presented without prejudice to this Charterparty, but should the freight by Bills of Lading amount to less than the total chartered freight the difference to be paid to the Captain in cash on signing Bills of Lading.

10. Cancelling Clause

Should the vessel not be ready to load (whether in berth or not) on or before the date indicated in Box 19, Charterers have the option of cancelling this contract, such option to be declared, if demanded, at least 48 hours before vessel's expected arrival at port of loading. Should the vessel be delayed on account of average or otherwise, Charterers to be informed as soon as possible, and if the vessel is delayed for more than 10 days after the day she is stated to be expected ready to load, Charterers have the option of cancelling this contract, unless a cancelling date has been agreed upon.

11. General Average

General average to be settled according to York-Antwerp Rules, 1974, Proprietors of cargo to pay the cargo's share in the general expenses even if same have been necessitated through neglect or default of the Owners' servants (see clause 2).

12. Indemnity

Indemnity for non-performance of this Charterparty, proved damages, not exceeding estimated amount of freight.

13. Agency

In every case the Owners shall appoint his own Broker or Agent both at the port of loading and the port of discharge.

14. Brokerage

A brokerage commission at the rate stated in Box 20 on the freight earned is due to the party mentioned in Box 20.

In case of non-execution at least 1/3 of the brokerage on the estimated amount of freight and dead-freight to be paid by the Owners to the Brokers as indemnity for the latter's expenses and work. In case of more voyages the amount of indemnity to be mutually agreed.

15. GENERAL STRIKE CLAUSE

Neither Charterers nor Owners shall be responsible for the consequences of any strikes or lock-outs preventing or delaying the fulfilment of any obligations under this contract.

If there is a strike or lock-out affecting the loading of the cargo, or any part of it, when vessel is ready to proceed from her last port or at any time during the voyage to the port or ports of loading or after her arrival there, Captain or Owners may ask Charterers to declare, that they agree to reckon the laydays as if there were no strike or lock-out. Unless Charterers have given such declaration in writing (by telegram, if necessary) within 24 hours, Owners shall have the option of cancelling this contract. If part cargo has already been loaded, Owners must proceed with same, (freight payable on loaded quantity only) having liberty to complete with other cargo on the way for their own account.

If there is a strike or lock-out affecting the discharge of the cargo on or after vessel's arrival at or off port of discharge and same has not been settled within 48 hours, Receivers shall have the option of keeping vessel waiting until such strike or lock-out is at an end against paying half demurrage after expiration of the time provided for discharging, or of ordering the vessel to a safe port where she can safely discharge without risk of being detained by strike or lock-out. Such orders to be given within 48 hours after Captain or Owners have given notice to Charterers of the strike or lock-out affecting the discharge. On delivery of the cargo at such port, all conditions of this Charterparty and of the Bill of Lading shall apply and vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.

16. War Risks ("Voywar 1950")

(1) In these clauses "War Risks" shall include any blockade or any action which is announced as a blockade by any Government or by any belligerent or by any organized body, sabotage, piracy, and any actual or threatened war, hostilities, warlike operations, civil war, civil commotion, or revolution.

(2) If at any time before the Vessel commences loading, it appears that performance of the contract will subject the Vessel or her Master and crew or her cargo to war risks at any stage of the adventure, the Owners shall be entitled by letter or telegram despatched to the Charterers, to cancel this Charter.

(3) The Master shall not be required to load cargo or to continue loading or to proceed on or to sign Bill(s) of Lading for any adventure on which or any port at which it appears that the Vessel, her Master and crew or her cargo will be subjected to war risks. In the event of the exercise by the Master of his right under this Clause after part or full cargo has been loaded, the Master shall be at liberty either to discharge such cargo at the loading port or to proceed therewith. In the latter case the Vessel shall have liberty to carry other cargo for Owners' benefit and accordingly to proceed to and load or discharge such other cargo at any other port or ports whatsoever, backwards or forwards, although in a contrary direction to or out of or beyond the ordinary route. In the event of the Master electing to proceed with part cargo under this Clause freight shall in any case be payable on the quantity delivered.

(4) If at the time the Master elects to proceed with part or full cargo under Clause 3, or after the Vessel has left the loading port, or the

PART II

"Gencon" Charter (As Revised 1922 and 1976)

Including "F.I.O." Alternative, etc.

last of the loading ports, if more than one, it appears that further performance of the contract will subject the Vessel, her Master and crew or her cargo, to war risks, the cargo shall be discharged, or if the discharge has been commenced shall be completed, at any safe port in vicinity of the port of discharge as may be ordered by the Charterers. If no such orders shall be received from the Charterers within 48 hours after the Owners have despatched a request by telegram to the Charterers for the nomination of a substitute discharging port, the Owners shall be at liberty to discharge the cargo at any safe port which they may, in their discretion, decide on and such discharge shall be deemed to be due fulfilment of the contract of affreightment. In the event of cargo being discharged at any such other port, the Owners shall be entitled to freight as if the discharge had been effected at the port or ports named in the Bill(s) of Lading or to which the Vessel may have been ordered pursuant thereto.

(5) (a) The Vessel shall have liberty to comply with any directions or recommendations as to loading, departure, arrival, routes, ports of call, stoppages, destination, zones, waters, discharge, delivery or in any other wise whatsoever (including any direction or recommendation not to go to the port of destination or to delay proceeding thereto or to proceed to some other port) given by any Government or by any belligerent or by any organized body engaged in civil war, hostilities or warlike operations or by any person or body acting or purporting to act as or with the authority of any Government or belligerent or of any such organized body or by any committee or person having under the terms of the war risks insurance on the Vessel, the right to give any such directions or recommendations. If, by reason of or in compliance with any such direction or recommendation, anything is done or is not done, such shall not be deemed a deviation.

(b) If, by reason of or in compliance with any such directions or recommendations, the Vessel does not proceed to the port or ports named in the Bill(s) of Lading or to which she may have been ordered pursuant thereto, the Vessel may proceed to any port as directed or recommended or to any safe port which the Owners in their discretion may decide on and there discharge the cargo. Such discharge shall be deemed to be due fulfilment of the contract of affreightment and the Owners shall be entitled to freight as if discharge had been effected at the port or ports named in the Bill(s) of Lading or to which the Vessel may have been ordered pursuant thereto.

(6) All extra expenses (including insurance costs) involved in discharging cargo at the loading port or in reaching or discharging the cargo at any port as provided in Clauses 4 and 5 (b) hereof shall be paid by the Charterers and/or cargo owners, and the Owners shall have a lien on the cargo for all moneys due under these Clauses.

17. GENERAL ICE CLAUSE

Port of loading

(a) In the event of the loading port being inaccessible by reason of ice when vessel is ready to proceed from her last port or at any time during the voyage or on vessel's arrival or in case frost sets in after vessel's arrival, the Captain for fear of being frozen in is at liberty to leave without cargo, and this Charter shall be null and void.

(b) If during loading the Captain, for fear of vessel being frozen in, deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to any other port or ports with option of completing cargo for Owners' benefit for any port or ports including port of discharge. Any part cargo thus loaded under this Charter to be forwarded to destination at vessel's expense but against payment of freight, provided that no extra expenses be thereby caused to the Receivers, freight being paid on quantity delivered (in proportion if lumpsum), all other conditions as per Charter.

(c) In case of more than one loading port, and if one or more of the ports are closed by ice, the Captain or Owners to be at liberty either to load the part cargo at the open port and fill up elsewhere for their own account as under section (b) or to declare the Charter null and void unless Charterers agree to load full cargo at the open port.

(d) This Ice Clause not to apply in the Spring.

Port of discharge

(a) Should ice (except in the Spring) prevent vessel from reaching port of discharge Receivers shall have the option of keeping vessel waiting until the re-opening of navigation and paying demurrage, or of ordering the vessel to a safe and immediately accessible port where she can safely discharge without risk of detention by ice. Such orders to be given within 48 hours after Captain or Owners have given notice to Charterers of the impossibility of reaching port of destination.

(b) If during discharging the Captain for fear of vessel being frozen in deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to the nearest accessible port where she can safely discharge.

(c) On delivery of the cargo at such port, all conditions of the Bill of Lading shall apply and vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.

Code Name: Norgrain 89

RECOMMENDED BY
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
THE FEDERATION OF NATIONAL ASSOCIATIONS OF SHIP BROKERS AND AGENTS (FONASBA)
AMENDED MAY 1989

NORTH AMERICAN GRAIN CHARTERPARTY 1973

ISSUED BY THE ASSOCIATION OF SHIP BROKERS AND AGENTS (U.S.A.) INC.

.....19.....

Owners IT IS THIS DAY MUTUALLY AGREED, between.....

Note: Delete as appropriate

Owners / Disponent Owners / Time-chartered Owners / Chartered Owners } of the.....*..... SS / M.V. Self/Non Self Trimming Bulk Carrier / Tween Decker / Tanker ..... Call Sign.....

Description of Vessel Built.....at.....of.....tons of 2,240 lbs.

deadweight all told, or thereabouts, and with a grain cubic capacity available for cargo of.....cubic feet (including.....cubic feet in self-bleeding wing spaces)

.....

Classification Classed.....in.....now.....

Note: Insert vessel's Itinerary

.....

.....

.....

Charterers and.....of.....Charterers.

Loading Port(s) 1. That the said vessel, being tight, staunch strong and in every way fit for the voyage, shall with all convenient speed proceed to.....

.....and there load

at.....safe loading berth(s) in Charterers' option.

Description of Cargo always afloat, $\frac{\text{a full and complete*}}{\text{part*}}$ cargo in bulk of

.....

.....

at Charterers' option.....tons of $\frac{\text{2,240 lbs.*}}{\text{1,000 kilos.*}}$.....% more or less, quantity at Owners' option.

Notice and Loading Port Orders 2. Owners are to give Charterers (or their Agents) (telegraphic address "..... "telex number:.....) 15 and 7 days notice of vessel's expected readiness to load date, and approximate quantity of cargo required with the 15 days' notice, such quantity to be based on a cargo of Heavy Grain, unless the cargo composition has been declared or indicated.

The Charterers are to be kept continuously advised by telegram/telex of any alteration in vessel's readiness to load date.

Master to apply to.....(telegraphic address "....."). for first or sole loading port orders 144 hours before vessel's expected readiness to load date but not sooner than 144 hours before the laydays in Clause 4 and Charterers or their Agents are to give orders for first or sole loading port within 72 hours of receipt of Master's application, unless given earlier.

Orders for second port of loading, if used, to be given to the Master not later than.....

.....

Master is to give Charterers (or their Agents) 72 and 12 hours notice of vessel's estimated time of arrival at first or sole loading port together with vessel's estimated readiness to load date.

Vessel Inspection 3. Vessel is to load under inspection of National Cargo Bureau, Inc in U.S.A. ports or of the Port Warden in Canadian ports. Vessel is also to load under inspection of a Grain Inspector licensed/authorised by the United States Department of Agriculture pursuant to the U.S. Grain Standards Act and/or of a Grain Inspector employed by the Canada Department of Agriculture as required by the appropriate authorities.

If vessel loads at other than U.S. or Canadian ports, she is to load under inspection of such national and/or regulatory bodies as may be required.

Vessel is to comply with the rules of such authorities, and shall load cargo not exceeding what she can reasonably stow and carry over and above her Cabin, Tackle, Apparel, Provisions, Fuel, Furniture and Water. Cost of such inspections shall be borne by Owners.

Laydays/ Cancelling 4. Laytime for loading, if required by Charterers, not to commence before 0800 on the.....day of.....19.....

Should the vessel's notice of readiness not be tendered and accepted as per Clause 18 before 1200 on the.....day of.....19..... the Charterers have the option of cancelling this Charterparty any time thereafter, but not later than one hour after the tender of notice of readiness as per Clause 18.

Destination 5. On being so loaded, the vessel shall proceed to.....

.....

as ordered by Charterers/Receivers*, and deliver the cargo, according to Bills of Lading at.....
safe discharging berths in Charterers' option, vessel being always afloat, on being* / having been* paid freight as per Clauses 8 and 9.

Discharging Port Orders Master to apply by radio to .....(telegraphic address "....."). for first or sole discharging port orders 96 hours before vessel is due off/at*.....and they are to give first or sole discharging port orders by radio within 48 hours of receipt of Master's application unless given earlier. If Master's application is received on a Saturday, the time allowed shall be 52 hours instead of 48 hours.

Orders for second and/or third port(s) of discharge are to be given to the Master not later than vessel's arrival at first or subsequent port.

Master to radio Charterers/Receivers (or their Agents) 72 and 24 hours notice of vessel's estimated time of arrival at first or sole discharging port. Charterers/Receivers (or their Agents) are to be kept continuously advised by radio/telegram/telex of any alterations in such estimated time of arrival.

Bills of Lading 6. The Master is to sign Bills of Lading as presented on the North American Grain Bill of Lading form without prejudice to the terms, conditions and exceptions of this Charterparty. If the Master elects to delegate the signing of Bills of Lading to his Agents he shall given them authority to do so in writing, copy of which is to be furnished to Charterers if so required.

Rotation of Ports 7. Rotation of loading ports is to be in $\frac{\text{Owners'*}}{\text{Charterers'*}}$ option.

Rotation of discharging ports is to be in $\frac{\text{Owners'*}}{\text{Charterers'*}}$ option, but if more than two (2) ports of discharge are used rotation is to be geographic.....to.....

Freight 8. Freight to be paid as follows:

.....

.....

.....

.....

per ton of 2,240 lbs./1,000 Kilos*
Charterers have the option of ordering the vessel to load at.....

.....

in which case the rate of freight to be .....

.....

.....

per ton of 2,240 lbs./1,000 Kilos.*

*Delete as appropriate.

Charterers/Receivers have the option of ordering the vessel to discharge at .....

.....

in which case the rate of freight to be .....

.....

.....

per ton of 2,240 lbs./1,000 Kilos*

If more than one port of loading and/or discharging is used, the rate of freight shall be increased by .....

.....

.....per ton of 2,240 lbs./1,000 Kilos* for each additional loading and/or discharging port on the entire cargo.

Freight Payment

9. *(a)* Freight shall be fully prepaid on surrender of signed Bills of Lading in .....in.....currency to

.....

.....

on Bill of Lading weight, discountless, not returnable, vessel and/or cargo lost or not lost. Freight shall be deemed earned as cargo is loaded on board.

Once the Bills of Lading have been signed, and Charterers call for surrender of Original Bills of Lading against freight payment above, it will be incumbent upon Owners or their Agents to comply immediately with such call for surrender during office hours, Mondays to Fridays inclusive.

(Other)

(b) .....

.....

.....

Cost of Loading and Discharging

10. *(a)** Cargo is to be loaded and spout trimmed (to Master's satisfaction in respect of seaworthiness) free of expense to the vessel.
Cargo is to be discharged free of expense to the vessel (to Master's satisfaction in respect of seaworthiness).

*(b)** Cargo is to be loaded and trimmed at Owners' expense.
Cargo is to be discharged free of expense to the vessel (to Master's satisfaction in respect of seaworthiness).

Stevedores at Loading Port(s) and Discharging Port(s)

11. Stevedores at loading Port(s) are to be appointed by $\frac{\text{Charterers*}}{\text{Owners*}}$ and paid by $\frac{\text{Charterers*}}{\text{Owners*}}$

If stevedores are appointed by Owners, they are to be approved by Charterers at loading port(s), and such approval is not to be unreasonably withheld.
Stevedores at discharging port(s) are to be appointed and paid for by Charterers/Receivers*.

In all cases, stevedores shall be deemed to be the servants of the Owners and shall work under the supervision of the Master.

Bulk Carrier and Wing Spaces

12. *(a)* The vessel is warranted to be a $\frac{\text{self-trimming bulk carrier.*}}{\text{non-self-trimming bulk carrier.*}}$

(b) Cargo may be loaded into wing spaces if the cargo can bleed into centerholds. Wing spaces are to be spout trimmed; any further trimming in wing spaces and any additional expenses in discharging are to be for Owners' account, and additional time so used is not to count as laytime or time on demurrage.

Overtime

13. *(a)* **Expenses**

(i) All overtime expenses at loading and discharging ports shall be for account of the party ordering same.

(ii) If overtime is ordered by port authorities or the party controlling the loading and/or discharging terminal or facility all overtime expenses are to be equally shared between the Owners and $\frac{\text{Charterers*}}{\text{Receivers*}}$

(iii) Overtime expenses for vessel's officers and crew shall always be for Owner's account.

(b) **Time Counting**

If overtime ordered by Owners be worked during periods excepted from laytime the actual time used shall count; if ordered by Charterers/Receivers, the actual time used shall not count; if ordered by port authorities or the party controlling the loading and/or discharging terminal or facility half the actual time used shall count.

Separations

14. Cost of cargo separations, including labor used for laying same, to be for Charterers' account unless required by Owners, in which case all resultant expenses shall be borne by the Owners. Separations ordered by Charterers shall be made to Master's satisfaction (but not exceeding the requirements of the competent authorities).

Securing

15. *(a)* **For Owners' account**

Any securing required by Master, National Cargo Bureau or Port Warden for safe trim/stowage to be supplied by and paid for by Owners, and time so used not to count as laytime or time on demurrage. Bleeding of bags, if any, at discharge port(s) to be at Owners' expense, and time actually lost is not to count.

Delete para (a) or (b) as appropriate

(b) **For Charterers' account**

Any securing required by Master, National Cargo Bureau or Port Warden for safe trim/stowage to be supplied by and paid for by Charterers, and time so used to count as laytime or time on demurrage. Bleeding of bags, if any, at discharge port(s) to be at Charterers'/Receivers' expense.

Fumigation

16. If after loading has commenced, and at any time thereafter until completion of discharge, the cargo is required to be fumigated in vessel's holds, the Owners are to permit same to take place at Charterers' risk and expense, including necessary expenses for accommodating and victualling vessel's personnel ashore.

The Charterers warrant that the fumigants used will not expose the vessel's personnel to any health hazards whatsoever, and will comply with current IMO regulations.

Time lost to the vessel is to count at the demurrage rate.

Opening/ Closing Hatches

17. At each loading and discharging port, cost of first opening and last closing of hatches and removal and replacing of beams, if any, shall be for Owners' account. Cost of all other opening and closing of hatches, removal and replacing of beams shall be for Charterers'/Receivers' account.

Time Counting

18. *(a)* **Notice of Readiness**

Notification of vessel's readiness to load and discharge at the first or sole loading and discharging port shall be delivered in writing at the office of Charterers/Receivers between 0900 and 1700 on all days except Sundays and holidays, and between 0900 and 1200 on Saturdays. Such notice of readiness shall be delivered when the vessel is in the loading or discharging berth if vacant, failing which from a lay berth or anchorage within limits of the port, or otherwise as provided in Clause 18 *(b)* hereunder.

(b) **Waiting for Berth Outside Port Limits**

If the vessel is prevented from entering the limits of the loading/discharging port(s) because the first or sole loading/discharging berth or a lay berth or anchorage is not available within the port limits, or on the order of the Charterers/Receivers or any competent official body or authority, and the Master warrants that the vessel is physically ready in all respects to load or discharge, the Master may tender vessel's notice of readiness, by radio if desired, from the usual anchorage outside the limits of the port, whether in free pratique or not, whether customs cleared or not. If after entering the limits of the loading port, vessel fails to pass inspections as per Clause 18 *(c)* any time so lost shall not count as laytime or time on demurrage from the time vessel fails inspections until she is passed, but if this delay in obtaining said passes exceeds 24 running hours shex all time spent waiting outside the limits of the port shall not count.

(c) **Commencement of Laytime**

Following receipt of notice of readiness laytime will commence at 0800 on the next day not excepted from laytime. Time (not excepted from laytime) actually used before commencement of laytime shall count.

(d) **Subsequent Ports**

At second or subsequent port(s) of loading and/or discharging, laytime or time on demurrage shall resume counting from vessel's arrival within the limits of the port or as provided in Clause 18 (b) if applicable.

(e) **Inspection**

Unless the conditions of Clause 18 (b) apply, at first or sole loading port Master's notice of readiness shall be accompanied by pass of the National Cargo Bureau/Port Warden and Grain Inspector's certificate of vessel's readiness in all compartments to be loaded, for the entire cargo covered by the Charterparty as per Clause 3. In the event that vessel loads in subsequent port(s) and is required to re-pass inspections in these ports, any time lost thereat in securing the required certificates shall not count as laytime or time on demurrage.

Laytime

19 *(a)* Vessel is to be loaded and discharged within .....working days of twenty-four (24) consecutive hours each (weather permitting). Sundays and Holidays excepted.

(b) Vessel is to be loaded within.....working days of twenty-four (24) consecutive hours each (weather permitting). Sundays and Holidays excepted.

Delete para (a), (b) or (c) as appropriate

(c) Vessel is to be discharged at the average rate of.....tons of 2,240 lbs.*/1,000 kilos.* per working day of twenty-four (24) consecutive hours (weather permitting), Sundays and Holidays excepted on the basis of the Bill of Lading weight.

(d) Notwithstanding any custom of the port to the contrary, Saturdays shall not count as laytime at loading and discharging port or ports where stevedoring labor and/or grain handling facilities are unavailable on Saturdays or available only at overtime and/or premium rates.

In ports where only part of Saturdays is affected by such conditions, as described above, laytime shall count until the expiration of the last straight time period.

Where six or more hours of work are performed at normal rates, Saturday shall count as a full lay day.

***Delete as appropriate.**

(e) In the event that the vessel is waiting for loading or discharging berth, no laytime is to be deducted during such period for reasons of weather unless the vessel occupying the loading or discharging berth in question is actually prevented from working grain due to weather conditions in which case time so lost is not to count.

Demurrage/ Despatch Money

20. Demurrage at loading and/or discharging ports is to be paid at the rate of.....per day or *pro rata* for part of a day and shall be paid by Charterers in respect of loading port(s) and by Charterers/Receivers* in respect of discharging port(s). Despatch money to be paid by Owners at half the demurrage rate for all laytime saved at loading and/or discharging ports.

Any time lost for which Charterers/Receivers are responsible, which is not excepted under this Charterparty, shall count as laytime, until same has expired, thence time on demurrage.

Shifting

21. *(a)* **Shifting, expenses and time**

(i) Cost of shifting between loading berths and cost of shifting between discharging berths, including bunker fuel used, to be for Owners'*/Charterers'/Receivers'* account, time counting.

(ii) If vessel is required to shift from one loading or discharging berth to a lay berth or anchorage due to subsequent loading or discharging berth(s) not being available, all such shifting expenses, as defined above shall be for Owners'*/Charterers'/Receivers'* account, time counting.

(iii) If the vessel shifts from the anchorage or waiting place outside the port limits either directly to the first loading or discharging berth or to a lay berth or anchorage within the port limits the cost of that shifting shall be for Owners' account and time so used shall not count even if vessel is on demurrage.

(iv) Cost of shifting from lay berth or anchorage within the port limits to first loading or first discharging berth to be for Owners' account, time counting.

(b) **Shifting in and out of the same berth**
If vessel *is* required by Charterers/Receivers* to shift out of the loading berth or the discharging berth and back to the same berth, one berth shall be deemed to have been used, but shifting expenses from and back to the loading or discharging berth so incurred shall be for Charterers'/Receivers'* account and laytime or time on demurrage shall count.

(c) Overtime expenses for vessel's officers and crew shall always be for Owners' account.

Gear and lights

22. If required, the Master is to give free use of vessel's cargo gear, including runners, ropes and slings as on board, and power to operate the same.

Vessel's personnel is to operate the gear if permitted to do so by shore regulations, failing which shore operators are to be used.

Such shore operators are to be for Owners' account at loading port(s) if the provisions of Clause 10 *(b)* apply, otherwise for Charterers' account at loading and Charterers'*/Receivers'* account at discharging port(s).

Time lost on account of breakdowns of vessel's gear essential to the loading or discharging of this cargo is not to count as laytime or time on demurrage, and if Clause 10 *(a)* applies any stevedore standby time charges incurred thereby shall be for Owners' account.

If required, Master shall give free use of the vessel's lighting as on board for night work.

Seaworthy Trim

23. If ordered to be loaded or discharged at two or more ports, the vessel is to be left in seaworthy trim to Master's satisfaction (not exceeding the requirements of the Safety of Life at Sea Convention as applied in the country in which such ports are situated) for the passage between ports at Charterers' expense at loading and at Charterers'/Receivers' expense at discharging ports, and time used for placing vessel in seaworthy trim shall count as laytime or time on demurrage.

Draft/ Lighterage

24. Owners warrant the vessel's deepest salt water draft shall not exceed.....feet.....inches on completion of loading and.....feet .....inches on arrival at first or sole discharging port.

Should the vessel be ordered to discharge at a place in which there is not sufficient water for her to get the first tide after arrival without lightening, and lie always afloat, laytime is to count as per Clause 18 at a safe anchorage for similar vessels bound for such a place and any lighterage expenses incurred to enable her to reach the place of discharge is to be at the expense and risk of the cargo, any custom of the port or place to the contrary notwithstanding, but time occupied in proceeding from the anchorage to the discharging berth is not to count as laytime or time on demurrage.

Unless loading and/or discharging ports are named in this Charterparty, the responsibility for providing safe port of loading and/or discharging lies with the Charterers/Receivers* provided Owners have complied with the maximum draft limitations in Lines 173/174.

Car Decks, etc.

25. It is understood that if this vessel is fitted with car decks, container fittings and/or any other special fittings not connected with the carriage of grain in bulk, any extra expenses incurred in loading and/or discharging as a result of the presence of such car decks, container fittings and/or special fittings are to be for Owners' account. Time so lost shall not count as laytime or time on demurrage.

Dues and/or Taxes

26. .....

.....

.....

Seaway Tolls

27. All St. Lawrence Seaway and/or Welland Canal tolls on vessel and/or cargo assessed by Canadian and United States Authorities are to be paid and borne by Owners.

Water Pollution

28. Any time lost on account of vessel's non-compliance with Government and/or State and/or Provincial regulations pertaining to water pollution shall not count as laytime or time on demurrage.

Agents

29. Owners*/Charterers* are to appoint agents at loading port(s) and Owners*/Charterers* are to appoint agents at discharging port(s).

In all instances, agency fees shall be for Owners' account but are not to exceed customary applicable fees.

Strikes, Stoppages, etc.

30. If the cargo cannot be loaded by reason of Riots, Civil Commotions or of a Strike or Lock-out of any class of workmen essential to the loading of the cargo, or by reason of obstructions or stoppages beyond the control of the Charterers caused by Riots, Civil Commotions or a Strike or Lock-out on the Railways or in the Docks or other loading places, or if the cargo cannot be discharged by reason of Riots, Civil Commotions, or of a Strike or Lock-out of any class of workmen essential to the discharge, the time for loading or discharging, as the case may be, shall not count during the continuance of such causes, provided that a Strike or Lock-out of Shippers' and/or Receivers' men shall not prevent demurrage accruing if by the use of reasonable diligence they could have obtained other suitable labor at rates current before the Strike or Lock-out. In case of any delay by reason of the before mentioned causes, no claim for damages or demurrage shall be made by the Charterers/Receivers of the cargo or Owners of the vessel. For the purpose, however, of settling despatch rebate accounts, any time lost by the vessel through any of the above causes shall be counted as time used in loading, or discharging, as the case may be.

Ice

31. **Loading Port**

(a) If the Vessel cannot reach the loading port by reason of ice when she is ready to proceed from her last port, or at any time during the voyage, or on her arrival, or if frost sets in after her arrival, the Master – for fear of the Vessel being frozen in – is at liberty to leave without cargo; in such cases this Charterparty shall be null and void.

(b) If during loading, the Master, for fear of Vessel being frozen in, deems it advisable to leave, he has the liberty to do so with what cargo he has on board and to proceed to any other port with option of completing cargo for Owners' own account to any port or ports including the port of discharge. Any part cargo thus loaded under this Charterparty to be forwarded to destination at Vessel's expense against payment of the agreed freight, provided that no extra expenses be thereby caused to the Consignees, freight being paid on quantity delivered (in proportion if lump sum), all other conditions as per Charterparty.

(c) In case of more than one loading port, and if one or more of the ports are closed by ice, the Master or Owners to be at liberty either to load the part cargo at the open port and fill up elsewhere for the Owners' own account as under sub-clause *(b)* or to declare the Charterparty null and void unless the Charterers agree to load full cargo at the open port.

Voyage and Discharging Port

(d) Should ice prevent the Vessel from reaching the port of discharge, the Charterers/Receivers shall have the option of keeping the Vessel waiting until the re-opening of navigation and paying demurrage or of ordering the vessel to a safe and immediately accessible port where she can safely discharge without risk of detention by ice. Such orders to be given within 48 hours after the Owners or Master have given notice to the Charterers/Receivers of impossibility of reaching port of destination.

(e) If during discharging, the Master, for fear of Vessel being frozen in, deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to the nearest safe and accessible port. Such port to be nominated by Charterers/Receivers as soon as possible, but not later than 24 running hours, Sundays and holidays excluded, of receipt of Owners' request for nomination of a substitute discharging port, failing which the Master will himself choose such port.

(f) On delivery of the cargo at such port, all conditions of the Bill of Lading shall apply and the Owners shall receive the same freight as if the Vessel had discharged at the original port of destination, except that if the distance to the substitute port exceeds 100 nautical miles the freight on the cargo delivered at that port to be increased in proportion.

Extra Insurance

32. Any extra insurance on cargo incurred owing to vessel's age, class, flag or ownership to be for Owners' account up to a maximum of ..... and may be deducted from the freight, in Charterers' option. The Charterers shall furnish evidence of payment supporting such deduction.

P. & I. Bunker Clause

33. The vessel shall have the liberty as part of the contract voyage to proceed to any port or ports at which bunker oil is available for the purpose of bunkering at any stage of the voyage whatsoever and whether such ports are on or off the direct and/or customary route or routes between any of the ports of loading or discharge named in this Charterparty and may there take oil bunkers in any quantity in the discretion of Owners even to the full capacity of bunker tanks and deep tanks and any other compartment in which oil can be carried whether such amount is or is not required for the chartered voyage.

Deviation

34. Any deviation in saving or attempting to save life or property at sea or any reasonable deviation shall not be deemed to be an infringement or breach of this Charterparty and the Owners shall not be liable for any loss or damage resulting therefrom; provided, however, that if the deviation is for the purpose of loading or unloading cargo or passengers it shall, *prima facie*, be regarded as unreasonable.

Lien and Cesser Clause

35. The Owners shall have a lien on the cargo for freight, deadfreight, demurrage, and average contribution due to them under this Charterparty.

Charterers' liability under this Charterparty is to cease on cargo being shipped except for payment of freight, deadfreight, and demurrage at loading, and except for all other matters provided for in this Charterparty where the Charterers' responsibility is specified.

Exceptions

36. Owners shall be bound before and at the beginning of the voyage to exercise due diligence to make the vessel seaworthy and to have her properly manned, equipped and supplied and neither the vessel nor the Master or Owners shall be or shall be held liable for any loss of or damage or delay to the cargo for causes excepted by the U.S. Carriage of Goods by Sea Act, 1936 or the Canadian Carriage of Goods by Water Act, 1970, or any statutory re-enactment thereof.

And neither the vessel, her Master or Owners, nor the Charterers or Receivers shall, unless otherwise in this Charterparty expressly provided, be responsible for loss of or damage or delay to or failure to supply, load, discharge or deliver the cargo arising or resulting from: – Act of God, act of war, act of public enemies, pirates or assailing thieves; arrest or restraint of princes, rulers or people; seizure under legal process, provided bond is promptly furnished to release the vessel or cargo; floods; fires; blockades; riots; insurrections; Civil Commotions; earthquakes; explosions. No exception afforded the Charterers or Receivers under this clause shall relieve the Charterers or Receivers of or diminish their obligations for payment of any sums due to the Owners under provisions of this Charterparty.

* Delete as appropriate

U.S.A. Clause Paramount

37. If the vessel loads in the U.S.A. the U.S.A. Clause Paramount shall be incorporated in all Bills of Lading and shall read as follows:

"This Bill of Lading, shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, approved April 16, 1936, or any statutory re-enactment thereof, which shall be deemed to be incorporated herein, and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said Act. If any term of this Bill of Lading be repugnant to said Act to any extent, such terms shall be void to that extent but no further."

Canadian Clause Paramount

38. If the vessel loads in Canada the Canadian Clause Paramount shall be incorporated in all Bills of Lading and shall read as follows:

"This Bill of Lading, so far as it relates to the carriage of goods by water, shall have effect, subject to the provisions of the Carriage of Goods by Water Act, 1970, Revised Statutes of Canada, Chapter C 15, enacted by the Parliament of the Dominion of Canada, or any statutory re-enactment thereof, which shall be deemed to be incorporated herein, and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under the said Act. If any term of this Bill of Lading be repugnant to said Act to any extent, such term shall be void to that extent, but no further."

Both-to-Blame Collision Clause

39. If the liability for any collision in which the vessel is involved while performing this Charterparty falls to be determined in accordance with the laws of the United States of America, the following clause shall apply:

"If the vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the vessel, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of or damage to or any claim whatsoever of the owners of the said goods, paid or payable by the other or non-carrying vessel or her owners to the owners of the said goods and set off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying vessel or Carrier."

The foregoing provisions shall also apply where the Owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect to a collision or contact."

The Charterers shall procure that all Bills of Lading issued under this Charterparty shall contain the same clause.

General Average/ New Jason

40. General Average shall be adjusted according to the York/Antwerp Rules 1974 and shall be settled in .....

Where the adjustment is made in accordance with the law and practice of the United States of America, the following clause shall apply:

"In the event of accident, danger, damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for the consequences of which, the Carrier is not responsible, by Statute, contract or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the Carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods.

If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel or vessels belonged to strangers. Such deposit as the Carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the Carrier before delivery."

The Charterers shall procure that all Bills of Lading issued under this Charterparty shall contain the same clause.

War risks

41. 1. The Master shall not be required or bound to sign Bills of Lading for any blockaded port or for any port which the Master or Owners in his or their discretion consider dangerous or impossible to enter or reach.

2. *(A)* If any port of loading or of discharge named in this Charterparty or to which the vessel may properly be ordered pursuant to the terms of the Bills of Lading be blockaded, or

(B) if owing to any war, hostilities, warlike operations, civil war, civil commotions, revolutions, or the operation of international law *(a)* entry to any such port of loading or of discharge or the loading or discharge of cargo at any such port be considered by the Master or Owners in his or their discretion dangerous or *(b)* it be considered by the Master or Owners in his or their discretion dangerous or impossible for the vessel to reach any such port of loading or of discharge – the Charterers shall have the right to order the cargo or such part of it as may be affected to be loaded or discharged at any other safe port of loading or of discharge within the range of loading or discharging ports respectively established under the provisions of the Charterparty (provided such other port is not blockaded or that entry thereto or loading or discharge of cargo thereat is not in the Master's or Owners' discretion dangerous or prohibited). If in respect of a port of discharge no orders be received from the Charterers within 48 hours after they or their agents have received from the Owners a request for the nomination of a substitute port, the Owners shall then be at liberty to discharge the cargo at any safe port which they or the Master may in their or his discretion decide on (whether within the range of discharging ports established under the provisions of the Charterparty or not) and such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment so far as cargo so discharged is concerned. In the event of the cargo being loaded or discharged at any such other port within the respective range of loading or discharging ports established under the provisions of the Charterparty, the Charterparty shall be read in respect of the freight and all other conditions whatsoever as if the voyage performed were that originally designated. In the event, however, that the vessel discharges the cargo at a port outside the range of discharging ports established under the provisions of the Charterparty, freight shall be paid as for the voyage originally designated and all extra expenses involved in reaching the actual port of discharge and/or discharging the cargo thereat shall be paid by the Charterers or Cargo Owners. In this latter event the Owners shall have a lien on the cargo for all such extra expenses.

3. The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the nation under whose flag the vessel sails or any other government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations, anything is done or is not done such shall not be deemed a deviation.

If by reason of or in compliance with any such directions or recommendations the vessel does not proceed to the port or ports of discharge orginally designated or to which she may have been ordered pursuant to the terms of the Bills of Lading, the vessel may proceed to any safe port of discharge which the Master or Owners in his or their discretion may decide on and there discharge the cargo. Such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment and the Owners shall be entitled to freight as if discharge has been effected at the port or ports originally designated or to which the vessel may have been ordered pursuant to the terms of the Bills of Lading. All extra expenses involved in reaching and discharging the cargo at any such other port of discharge shall be paid by the Charterers and/or Cargo Owners and the Owners shall have a lien on the cargo for freight and all such expenses.

Address Commission

42. An address commission of .....% on gross freight, deadfreight and demurrage is due to Charterers at time freight and/or demurrage is paid, vessel lost or not lost, Charterers having the right to deduct such commission from payment of freight and/or demurrage.

Brokerage Commission

43. A brokerage commission of ..... % on gross freight, deadfreight, and demurrage is payable by Owners to .....

.....

at time of receiving freight payment and/or demurrage payments(s), vessel lost or not lost.

Assignment

44. Charterers have the privilege of transferring/assigning/reletting all or part of this Charterparty to others (guaranteeing to the Owners the due fulfilment of this Charterparty).

Arbitration

Delete para. (a) or (b) as appropriate

45. *(a)* **New York.** All disputes arising out of this contract shall be arbitrated at New York in the following manner, and be subject to U.S. Law:
One Arbitrator is to be appointed by each of the parties hereto and a third by the two so chosen. Their decision or that of any two of them shall be final, and for the purpose of enforcing any award, this agreement may be made a rule of the court. The Arbitrators shall be commercial men, conversant with shipping matters. Such Arbitration is to be conducted in accordance with the rules of the Society of Maritime Arbitrators Inc.

For disputes where the total amount claimed by either party does not exceed U.S.$.....** the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators Inc.

(b) **London.** All disputes arising out of this contract shall be arbitrated at London and, unless the parties agree forthwith on a single Arbitrator, be referred to the final arbitrament of two Arbitrators carrying on business in London who shall be members of the Baltic Mercantile & Shipping Exchange and engaged in the Shipping and/or Grain Trades, one to be appointed by each of the parties, with power to such Arbitrators to appoint an Umpire. No award shall be questioned or invalidated on the ground that any of the Arbitrators is not qualified as above, unless objection to his action be taken before the award is made. Any dispute arising hereunder shall be governed by English Law.

For disputes where the total amount claimed by either party does not exceed U.S. $.....** the arbitration shall be conducted in accordance with the Small Claims Procedure of the London Maritime Arbitrators Association.

**Where no figure is supplied in the blank space this provision only shall be void but the other provisions of this clause shall have full force and remain in effect.

Codename: "Multiform 1982" (Revised 1986)

This Charter Party is not designed for use in the Container trade.

The Shipbroking Organisations of Austria, Brazil, Denmark, Finland, France, Federal Republic of Germany, Greece, Ireland, Italy, Malta, Morocco, Netherlands, Norway, Portugal, Singapore, South Africa, Spain, Sweden, United Kingdom, U.S.A., Uruguay and Yugoslavia, have approved this document.

The Federation of National Associations of Ship Brokers and Agents

F O N A S B A

MULTI-PURPOSE CHARTER PARTY 1982

Place.....19.....

1. IT IS THIS DAY MUTUALLY AGREED between.....
.....of.....,
the Owners/disponent Owners, hereinafter called the Owners, of the vessel.....
(as described hereunder), now.....
and expected ready to load under this Charter Party about.....on her present position,
and.....
of....., the Charterers.

Vessel's Description

The Owners describe the vessel as: Built 19..... Flag..... Classed.....
Callsign..... GRT..... NRT..... Summer deadweight all told of about
.....metric/long tons on a draft of .....in salt water.
Number of decks..... Number of holds..... Number of hatches.....
Type of hatch covers in main and tweendecks (and sizes if required).....
.....
.....
Cubic feet grain/bale in main holds and tweendecks.....
.....
Cubic feet grain/bale in other compartments available for cargo.....
.....
Engines placed..... Bridge placed..... Length overall..... Extreme breadth.....
Type, number and capacity of cargo lifting gear.....
.....metric/long tons S.W.L.
.....

Loading Place and Cargo

2. That the said vessel, being tight, staunch and strong and in every way fit for the voyage, shall with all convenient speed proceed to
.....
.....
as ordered by Charterers, or so near thereto as she may safely get and there load at one or two safe berths, as ordered by Charterers, always afloat, a full and complete/part cargo of minimum.....tons of 1000 kilos and maximum
.....tons of 1000 kilos,.....quantity in the Master's option, of.....
.....

Orders for Loading Port(s)

The loading port(s) shall be declared by Charterers not later than.....
.....

Rotation

If the vessel loads at more than one port, the rotation shall be.....
.....

Discharging Place

3. Being so loaded, the vessel shall proceed to.....
.....
.....
as ordered by Charterers, or so near thereto as she may safely get and there deliver the cargo at one or two safe berths, as ordered by Charterers, always afloat. Owners guarantee the vessel's deepest draft in saltwater on arrival at first or sole discharging port shall not exceed.....

Orders for Discharging Port(s)

The discharging port(s) shall be declared by Charterers not later than.....
.....

Rotation

If the vessel discharges at more than one port, the rotation shall be.....
.....

Laydays and Cancelling

4. Laytime for loading shall not commence before 0800 hours on.....and should the vessel's notice of readiness not be given before 1700 hours on.....in accordance with Clause 7, the Charterers shall, at any time thereafter, but not later than the time when such notice has been delivered, have the option of cancelling this Charter Party. If, prior to tendering notice under this Charter Party, the vessel's cancelling date has already passed or, which ever first occurs, the vessel has begun her approach voyage and in the ordinary course of events would be unable to tender notice before the cancelling date, the Owners, having given a revised expected readiness to load date, may require the Charterers to declare whether they elect to cancel the Charter Party and Charterers shall be given up to 48 running hours to make this declaration. Should the Charterers not elect

to cancel, the cancelling date shall be extended by three running days, Sundays (or their equivalents) and holidays excluded, from the vessel's revised expected readiness to load date. This provision shall be without prejudice to any claim the Charterers may have as to Owners' possible misrepresentation of the vessel's expected readiness date and/or laydays/cancelling dates contained herein.

Freight

5. The freight is to be paid at the rate of.....per ton of 1000 kilos on gross Bill of Lading weight and is to be paid in the following manner:–

.....

.....

.....

The freight shall be deemed earned as cargo is loaded on board and shall be discountless and non-returnable, vessel and/or cargo lost or not lost.

Cost of Loading and Discharging Stevedores

6. The cargo shall be loaded, stowed/trimmed and discharged, to the Master's satisfaction in respect of seaworthiness, free of expense to the vessel.

Stevedores at loading and discharging ports are to be appointed and paid by Charterers. The stevedores shall be deemed to be the servants of the Owners and shall work under the supervision of the Master.

Notice of Readiness/Time Counting

7. Notification of the vessel's readiness to load/discharge at the first or sole loading/discharging port shall be delivered in writing at the office of the Shippers/Receivers or their agents between 0900 hours and 1700 hours on any day except Sunday (or its local equivalent) and holidays, and between 0900 hours and 1200 hours on Saturday (or its local equivalent). Such notice of readiness shall be delivered when the vessel is in the loading/discharging berth and is in all respects ready to load/discharge. However, if the loading/discharging berth is unavailable, the Master may give notice of readiness on the vessel's arrival within the port or at a customary waiting place outside the port limits, whether or not in free pratique and whether or not cleared by Customs. At the first or sole loading/discharging port laytime shall commence at 1300 hours if notice of readiness is given before noon and at 0800 hours on the next working day that is not excepted from laytime, if notice is given after noon, unless sooner commenced, in which case only time actually used shall count against laytime. At any other loading/discharging port laytime shall commence on vessel's arrival as above. However time shifting from the waiting place(s) to the loading/discharging berth shall not count even if the vessel is already on demurrage.

If the vessel is found not to be ready to load or discharge, the time taken to make the vessel ready is not to count as laytime or time on demurrage and all expenses to make the vessel ready shall be for Owners' account.
Provided Charterers consent to loading before lay days (as shown in Line 45) commences, any such time actually used shall count against laytime.

Rate of Loading and Discharging and Excepted Time

8. The cargo shall be:– (a) loaded and stowed/trimmed at the average rate of.....tons of 1000 kilos and discharged at the average rate of.....tons of 1000 kilos, both per working day of 24 consecutive hours, weather permitting, Sundays (or their local equivalents) and Holidays excepted unless used when only time actually used shall count.

OR (b) loaded, stowed/trimmed and discharged within.....working days of 24 consecutive hours, weather permitting, Sundays (or their local equivalents) and Holidays excepted, unless used when only time actually used shall count.

Demurrage and Despatch

9. If the vessel is longer detained in loading/discharging, demurrage is to be paid by Charterers to Owners at the rate of.....per day or pro rata.

For laytime saved in loading/discharging, Owners are to pay Charterers despatch money at the rate of half the demurrage rate per day or pro rata.

Notices

10. (a) The Owners shall give.....days' approximate and.....days' definite notice of the vessel's readiness to load date and shall confirm her ETA at the first loading port 48 and 24 hours in advance, to.....

.....

(b) Upon the vessel's sailing from the (last) loading port, the Master shall radio to.....

.....

giving the sailing time, the quantity of cargo loaded and the vessel's ETA at first or sole discharging port and shall thereafter radio .....hours' and. .....hours' notice of her ETA to.....

Opening and Closing of Hatches

11. At each loading and discharging port, provided local regulations permit, the first opening and last closing of hatches including removal and replacing of beams, if any, shall be effected by the vessel's crew at Owners' expense. If local regulations do not so permit, then these operations shall be effected by shore labour at Charterers' expense. In either event, time so used shall not count as laytime. Any other such operations shall be effected by shore labour at Charterers' expense and time so used shall count as laytime.

Gear and Lights

12. The vessel shall give, free of expense to Charterers, full use of vessel's lighting on deck and in the cargo compartments, also full and free use of her tackle, derricks and winches and/or cranes, with the necessary power to work all gear simultaneously at all times, as may be required by Charterers. Shore winchmen/crane drivers shall be for Charterers' account.

The vessel's cargo gear and runners shall be in good working order, the vessel having a valid gear certificate on board. Owners warrant that the vessel's gear complies with Clause 1.
In the event of a breakdown of a winch or winches or crane(s), not caused by Charterers, their Agents or contractors, the period of delay thereby caused to the vessel is not to count as laytime or time on demurrage and the cost of any stevedore stand-by time and all other expenses thereby directly incurred shall be for Owners' account.

Separations

13. Any separations required by Charterers between parcels within the vessel's compartments shall be at their risk and expense and to the Master's satisfaction.

Grab Discharge

14. The vessel is to be suitable for grab discharge. No cargo shall be loaded in any cargo compartments not readily accessible for grab discharge. However, should any cargo be loaded in any inaccessible spaces, all extra expenses so incurred shall be for Owners' account and any time lost to the vessel shall not count as laytime or time on demurrage.

Stevedore Damage

15. Stevedore damage to the vessel shall be for Charterers' account, subject to the following conditions:–
At the time of the occurrence the Master is to notify the Charterers by telecommunication the details of the stevedore damage in the case of damage discoverable by the exercise of due diligence and otherwise on discovery thereof, but in no case later than completion of discharge of the cargo, failing which any claim shall be deemed to be waived.

Furthermore, immediately visible damage occurs the Master shall place the stevedores on notice in writing holding them responsible, and endeavour to obtain their acknowledgement of liability therefor.

Stevedore damage affecting the seaworthiness of the vessel shall be repaired by the Charterers at their expense in the port where the damage occurs and they are to compensate Owners at the demurrage rate for any time so used, over and above that required for cargo handling purposes.

Damage not affecting vessel's seaworthiness shall be for Charterers' account when actually repaired, but no compensation is to be paid to Owners for any time so used.

Packaged Cargo

16. Tallying, if ordered by Owners, shall be arranged and paid for by the Owners. If tallying is ordered by any other party, it shall be paid for by Charterers.

Tallying

Cargo Battens

If cargo in units/packages is loaded, the vessel shall be fully net or wooden cargo batten fitted. Any missing battens shall be replaced by any suitable material to protect the cargo from the ship's steel plating at Owners' expense and in their time. Any other dunnage required shall be provided, laid and paid for by Charterers.

Overtime

17. All overtime expenses at loading and discharging port(s) shall be for account of the party ordering same. If overtime is ordered by port authorities or the party controlling the loading and/or discharging terminal or facility, all such expenses shall be for Charterers' account.

Overtime expenses for the vessel's officers and crew shall always be for Owners' account.

Seaworthy Trim

18. If ordered to load or discharge at two berths and/or ports, the vessel is to be left in seaworthy trim to the Master's satisfaction for the passage between such berths and/or ports at Charterers' expense. Time used for placing the vessel in seaworthy trim shall count as laytime or time on demurrage.

Shifting

19. If two loading/discharging berths are used, the cost of shifting between berths shall be for Charterers' account and time so used shall count.

Dues and Taxes

20. Any dues and/or wharfage and/or taxes on the vessel shall be for Owners' account and any on the cargo shall be for Charterers' account

Any other Taxes

.....

.....

Agents

21. Owners shall appoint their own agents at loading port(s) and their own agents at discharging port(s).

Bills of Lading

22. The Master shall sign Bills of Lading as presented (but in accordance with Mate's receipts) without prejudice to the terms, conditions and exceptions of this Charter Party. Should it be impracticable for the Master to sign Bills of Lading, he may authorise in writing the port agents to sign them on his behalf in accordance with Mate's receipts. See also Clause 34.

Lightening

23. Provided the vessel has complied with the draft provision in Clause 3, any lightening necessary at port(s) of discharge to enable the vessel to reach her discharging berth(s) shall be at Charterers' risk and expense, time counting as laytime or time on demurrage but time shifting from the place of lightening to the discharging berth(s) is not to count.

Lien and Cesser

24. The Owners shall have a lien on the cargo for freight, deadfreight, demurrage and average contributions due to them under this Charter Party. Charterers' liability under this Charter Party shall cease on the cargo being shipped except for payment of freight, deadfreight and demurrage and except for all other matters provided for in this Charter Party where the Charterers' responsibility is specified.

Deviation

25. Any deviation in saving or attempting to save life and/or property at sea shall not be deemed to be an infringement or breach of this Charter Party and the Owners shall not be liable for any loss or damage resulting therefrom.

Should the vessel put into unscheduled port(s) whilst on the voyage, the Owners are to inform Charterers and agents at discharging port(s) thereof immediately.

General Average

26. General Average shall be settled according to the York/Antwerp Rules 1974 and shall be adjusted in.....

and paid in.....

New Jason Clause

Where the adjustment is made in accordance with the law and practice of the United States of America, the following clause shall apply:–

"In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by Statute, contract or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods.

If a salving vessel is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving vessel or vessels belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees, or owners of the goods to the carrier before delivery."

The Charterers shall procure that all Bills of Lading issued under this Charter Party shall contain this clause.

Strikes

27. Neither Charterers nor Owners shall be responsible for the consequences of any strikes or lock-outs preventing or delaying the fulfilment of any obligations under this contract. If there is a strike or lock-out affecting the loading of the cargo, or any part of it, when the vessel is ready to proceed from her last port or at any time during the voyage to the port or ports of loading or after her arrival there, the Master or Owners may ask Charterers to declare that they agree to reckon the laytime as if there were no strike or lock-out.

Unless Charterers have given such declaration in writing (by telecommunication, if necessary) within 24 hours, Owners shall have the option of cancelling this contract. If part cargo has already been loaded, the vessel must proceed with same and the freight shall be payable only on the quantity loaded, the Owners having the liberty to complete with other cargo on the way for their own account.

If there is a strike or lock-out affecting the discharge of the cargo on or after the vessel's arrival at or off port of discharge and same has not been settled within 48 hours, Charterers shall have the option of keeping vessel waiting until such strike or lock-out is at an end against paying half demurrage after expiration of the time provided for discharging or of ordering the vessel to a safe port where she can safely discharge without risk of being detained by strike or lock-out. Such orders shall be given within 48 hours after Captain or Owners have given notice to Charterers of the strike or lock-out affecting the discharge. On delivery of the cargo at the substituted port, all conditions of this Charter Party and the Bill of Lading shall apply and the vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles the freight on the cargo delivered at the substituted port shall be increased in proportion.

Exceptions

28. The vessel, her Master, the Owners and the Charterers shall not, unless otherwise expressly provided for in this Charter Party, be responsible for loss of or damage or delay to or failure to supply, load, discharge or deliver the cargo arising or resulting from:

Act of God, act of war, act of public enemies, pirates or assailing thieves; arrest or restraints of princes,rulers or people; seizure under legal process provided a bond is promptly furnished to release the vessel or cargo; floods; fires; blockades; riots; insurrections; Civil Commotions; earthquakes; explosions.

No exceptions afforded the Charterers or Receivers under this clause shall relieve the Charterers or Receivers of or diminish their obligations for payment of any sums due to the Owners under the provisions of this Charter Party.

Relet

29. Charterers have the privilege of reletting all or part of this Charter Party to others, subject to Owners' approval, which shall not be unreasonably withheld, Charterers guaranteeing to the Owners the due fulfilment of this Charter Party.

Arbitration

30. Any disputes arising under this Charter Party are to be referred to arbitration in.....and subject to the law applicable to Charter Party disputes in the city of the arbitral forum.

Except where it is the general practice in the selected arbitral forum for such disputes to be arbitrated by a tripartite tribunal, one arbitrator is to be appointed by each of the parties, and in the case the arbitrators shall not agree, the issues in contention shall be submitted to an umpire selected by the two arbitrators. Otherwise, on the second or tripartite basis, one arbitrator is to be appointed by each of the parties, and a third by the two so chosen.

The decision of the arbitrators or umpire in the first case and that of the tripartite tribunal or a majority of it in the second case shall be binding on the parties, subject to the applicable law.

Brokerage

31. A brokerage of.....% to.....

.....% to.....

.....% to.....

on gross freight, deadfreight and demurrage is payable by Owners at the time of receiving freight, respectively demurrage, vessel lost or not lost.

Protecting Clauses

32. The following clauses are fully incorporated in, and are to form part of, this Charter Party:

P. & I. Bunkering clause:

The vessel shall have the liberty as part of the contract voyage to proceed to any port or ports at which bunker fuel is available for the purpose of bunkering at any stage of the voyage whatsoever and whether such ports are on or off the direct and/or customary route or routes between any of the ports of loading or discharge named in this Charter Party and may there take bunkers in any quantity in the discretion of Owners even to the full capacity of fuel tanks and deep tanks and any other compartment in which fuel can be carried, whether such amount is or is not required for the chartered voyage.

Both to Blame Collision clause:

If the liability for any collision in which the vessel is involved while performing this Charter Party falls to be determined in accordance with the laws of the United States of America, the following clause shall apply:

"If the vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the vessel, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her Owners in so far as such loss or liability represents loss of or damage to or any claim whatsoever of the owners of the said goods, paid or payable by the other or non-carrying vessel or her owners to the owners of the said goods and set off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying vessel or carrier.

The foregoing provisions shall also apply where the Owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect to a collision or contact."

The Charterers shall procure that all Bills of Lading issued under this Charter Party shall contain the same clause.

Ice clause:

Port of loading.

(a) In the event of the loading port being inaccessible by reason of ice when vessel is ready to proceed from her last port or at any time during the voyage or on vessel's arrival or in case frost sets in after vessel's arrival, the Captain for fear of being frozen in is at liberty to leave without cargo, and this Charter shall be null and void.

(b) If during loading the Captain, for fear of vessel being frozen in, deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to any other port or ports with option of completing cargo for Owners' benefit for any port or ports including port of discharge. Any part of cargo thus loaded under this Charter shall be forwarded to destination at vessel's expense but against payment of freight, provided that no extra expenses be thereby caused to the Receivers, freight being paid on quantity delivered (in proportion if lumpsum), all other conditions as per this Charter Party.

(c) In case of more than one loading port, and if one or more of the ports are closed by ice, the Captain or Owners shall be at liberty either to load the part cargo at the open port and fill up elsewhere for their own account as under section (b) or to declare the Charter null and void unless Charterers agree to load full cargo at the open port.

(d) This Ice Clause is not to apply in the Spring.

Port of discharge.

(a) Should ice (except in the Spring) prevent vessel from reaching port of discharge Receivers shall have the option of keeping vessel waiting until the re-opening of navigation and paying demurrage, or of ordering the vessel to a safe and immediately accessible port where she can safely discharge without risk of detention by ice. Such orders shall be given within 48 hours after Captain or Owners have given notice to Charterers of the impossibility of reaching port of destination.

(b) If during discharging the Captain for fear of vessel being frozen in deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to the nearest accessible port where she can safely discharge.

(c) On delivery of the cargo at such port, all conditions of the Bill of Lading shall apply and vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port shall be increased in proportion.

War Risks clause:

(1) In these clauses "War Risks" shall include any blockade or any action which is announced as a blockade by any Government or by any belligerent or by any organized body, sabotage, piracy, and any actual or threatened war, hostilities, warlike operations, civil war, civil commotion, or revolution.

(2) If at any time before the Vessel commences loading, it appears that performance of the contract will subject the Vessel or her Master and crew or her cargo to war risks at any stage of the adventure, the Owners shall be entitled by letter or telegram despatched to the Charterers, to cancel this Charter.

(3) The Master shall not be required to load cargo or to continue loading or to proceed on or to sign Bill(s) of Lading for any adventure on which or any port at which it appears that the Vessel, her Master and crew or her cargo will be subjected to war risks. In the event of the exercise by the Master of his right under this Clause after part or full cargo has been loaded, the Master shall be at liberty either to discharge such cargo at the loading port or to proceed therewith. In the latter case the Vessel shall have liberty to carry other cargo for Owners' benefit and accordingly to proceed to and load or discharge such other cargo at any other port or ports whatsoever, backwards or forwards, although in a contrary direction to or out of or beyond the ordinary route. In the event of the Master electing to proceed with part cargo under this Clause freight shall in any case be payable on the quantity delivered.

(4) If at the time the Master elects to proceed with part or full cargo under Clause 3, or after the Vessel has left the loading port, or the last of the loading ports, if more than one, it appears that further performance of the contract will subject the Vessel, her Master and crew or her cargo, to war risks, the cargo shall be discharged, or if the discharge has been commenced shall be completed, at any safe port in vicinity of the port of discharge as may be ordered by the Charterers. If no such orders shall be received from the Charterers within 48 hours after the Owners have despatched a request by telegram to the Charterers for the nomination of a substitute discharging port, the Owners shall be at liberty to discharge the cargo at any safe port which they may in their discretion, decide on and such discharge shall be deemed to be due fulfilment of the contract of affreightment. In the event of cargo being discharged at any such other port, the Owners shall be entitled to freight as if the discharge had been effected at the port or ports named in the Bill(s) of Lading or to which the Vessel may have been ordered pursuant thereto.

(5) (a) The Vessel shall have liberty to comply with any directions or recommendations as to loading, departure, arrival, routes, ports of call, stoppages, destination, zones, waters, discharge, delivery or in any other wise whatsoever (including any direction or recommendation not to go to the port of destination or to delay proceeding thereto or to proceed to some other port) given by any Government or by any belligerent or by any organized body engaged in civil war, hostilities or warlike operations or by any person or body acting or belligerent or of any such organized body or by any committee or person having under the terms of the war risks insurance on the Vessel, the right to give any such directions or recommendations. If by reason of or in compliance with any such direction or recommendation, anything is done or is not done, such shall not be deemed a deviation.

(b) If, by reason of or in compliance with any such directions or recommendations, the Vessel does not proceed to the port or ports named in the Bill(s) of Lading or to which she may have been ordered pursuant thereto, the Vessel may proceed to any port as directed or recommended or to any safe port which the Owners in their discretion may decide on and there discharge the cargo. Such discharge shall be deemed to be due fulfilment of the contract of affreightment and the Owners shall be entitled to freight as if discharge had been effected at the port or ports named in the Bill(s) of Lading or to which the Vessel may have been ordered pursuant thereto.

(6) All extra expenses (including insurance costs) involved in discharging cargo at the loading port or in reaching or discharging the cargo at any port as provided in Clauses 4 and 5 (b) hereof shall be paid by the Charterers and/or cargo owners, and the Owners shall have a lien on the cargo for all moneys due under these Clauses.

Clause Paramount

33. The Hague Rules as Amended by the Brussels Protocol 1968 shall apply to this Charter Party and to any Bills of Lading issued hereunder. The Charterers shall procure that all Bills of Lading issued under this Charter Party shall contain a clause to include these rules.

C. (Ore) 7

MEDITERRANEAN

IRON ORE

ANNEX VIII

Charter Party.

London, ... 19....

1. IT IS THIS DAY MUTUALLY AGREED BETWEEN.....

owners of the good Steamship or vessel called the.....

of.....tons net register, now trading and expected ready to load about.....

the .....

and Charterers.

2. That the said Ship being warranted tight, staunch, and strong, and in every way fitted for the voyage, shall after delivery of her outward cargo, proceed with all convenient speed to.....

and there load always afloat in the customary manner, free of turn, when, where and as soon as ordered by Shipper's agent a full and complete Cargo of Iron Ore, say about.....tons, not exceeding what she can reasonably stow and carry over and above her Tackle, Apparel, Provisions and Furniture, and being so loaded, shall with all convenient speed proceed to .....

and there deliver the same as customary, when, where and as directed by Consignee, to whom written notice is to be given during office hours, 9 a.m. to 5 p.m., or Saturdays 9 a.m. to 1 p.m., of the Vessel being ready to discharge, Ship paying for discharging, One shilling per ton on quantity delivered, also cranage if discharged in a Scottish port.

3. Freight to be paid at and after the rate of.....

.....

per ton of 20 cwt. delivered, in full of all port charges, pilotages, consulages, light dues, trimming, lighterage, and all other dues usually paid by Steamers, including dues on Cargo as customary if Steamer discharges at a Scottish port. If the Steamer is ordered to Briton Ferry to discharge she shall proceed to the Briton Ferry Iron Works Wharf and discharge there at her own risk, Master or Owners to satisfy themselves that ship may safely do so and there deliver the said Cargo, as customary, by night as well as by day

4. Sufficient Cash (if required) for Ship's ordinary disbursements to be advanced at Port of Loading, at the current exchange, by Shippers against the receipt of the Master on Bills of Lading, less Three per cent. to cover commission, interest, and insurance, and the remainder of the freight to be paid on right and true delivery of the Cargo, in Cash.

5. The Cargo to be shipped at the rate of.....Tons and to be discharged at the rate of 500 tons per clear working day of 24 consecutive hours (weather permitting), Sundays and Holidays always excepted. Time lost by reason of all or any of the following causes shall not be computed in the loading or discharging time, viz. : War, Rebellion, Tumults, Civil Commotions, Insurrections, Political Disturbances, Epidemics, Quarantine, Riots, Strikes, Lock-outs, stoppage of Miners, Workmen, Lightermen, Tugboatmen, or other hands essential to the Working, Carriage, Delivery, Shipment or Discharge of the said Cargo whether partial or general, or Accidents at the Mines, at Receiver's Works or Wharf, Landslips, Floods, Frost or Snow, Bad Weather, Intervention of Sanitary, Customs, and/or other constituted Authorities, Partial or Total Stoppage on Rivers, Canals or on Railways, or any other cause beyond control of Charterers, unless steamer is already on demurrage.

6. Time for loading to count from 6 a.m. after the Ship is reported and ready, and in free pratique (whether in berth or not), and for discharging from 6 a.m. after Ship is reported and in every respect ready, and in free pratique, whether in berth or not. Steamer to be reported during official hours only. In case Shippers can arrange to load or discharge on Sundays or Holidays, or before time commences to count, Captain to allow work to be done ; half such time used to count. Time between 1 p.m. Saturday and 7 a.m. Monday not to count, unless used, in which case half such time actually used to count.

7. The Ship to unload barges sent alongside with all possible despatch (should this mode of shipping be used) ; and any delay incurred by not doing so is not to count as part of the lay days. The Ship to load and discharge as rapidly as possible, and give use of steam winches and steam free of expense, and crew to drive the winches, if permitted by local labour regulations, otherwise shore hands to be employed, and Charterers to pay cost of same. The Ship to work at night, if requested to do so, all extra expenses incurred thereby being paid by Owners unless steamer is on demurrage. The Ship to keep the steam winches in good working order.

8. Demurrage (if any) at the rate of eightpence per ton per running day on the total quantity of cargo delivered but in no case less than £50 per day.

9. Charterers to have the right to average the days allowed for loading and discharging.

10. If any wilful misrepresentation be made in respect of the size, position, &c., or should the Steamer not be in Loading Port and ready to load within 28 days from the date of this Charter Party, it shall be at the option of the Charterer whether or not he will load the vessel.

11. The Captain to sign Bills of Lading at any Freight required by Charterers, not less than Chartered rate. Cost of loading cargo is to be considered as advance of Freight and signed for accordingly, unless paid for in cash.

12. The Steamer is to be addressed for the Custom House business to Charterers or their agents at Ports of Loading and Discharging on usual terms under a penalty of £20, which together with all Brokerages and Charges may be deducted from the freight. Agents at discharging port will be.....

13. Any averages occurring under this Charter to be settled according to York-Antwerp Rules, 1974.

14. Master to telegraph "Charterers," as well as Charterer's agents at Port of Loading, should he have to put in at any Port or Ports.

15. In case of Jettison, the Captain to report the same to Consignees immediately on arrival.

16. An address commission of 2½ per cent. to be paid to Charterer, on delivery of Cargo.

17. Shippers to put the mineral on board, Ship paying tenpence per ton on quantity delivered for such operation.

18. A Commission of one-third of Five per cent. on the gross amount of freight, dead freight, and demurrage is due to Charterers on delivery of cargo.

19. Ship to apply to.....

.....for Cargo, and wire them on leaving last Port of Discharge if there are telegraphic facilities, failing which Shippers to be allowed one day extra for loading.

At La Goulette the Charterers are not responsible for draught of water exceeding 20½ English feet.
" Marbella " " " " 21½ " "
" Benisaf " " " " 23 " "

NOTICE.

SERIOUS LOSSES have recently been caused to Charterers by Captains signing Bills of Lading for a greater quantity than they knew to have been loaded.

OWNERS ARE REQUESTED to assist Charterers by warning the Captain not to sign Bills of Lading for one ton more than Captain believes to be on board his Steamer.

THE CAPTAIN should carefully calculate from ship's displacement the weight of cargo, and make sufficient allowance for weight of bunker coal, water, stores, &c.

OWNERS ARE PAID freight on output weight, and where Captains sign for an excessive quantity, dues paid by the Steamer on such excess are not recoverable.

A true copy of original Charter in.....possession.

20. The Act of God, the Queen's enemies, Arrest and/or Restraints of Rulers, Princes and People, Quarantine, Fire on Board, in Hulk or Craft or on Shore, Ice, Barratry of the Master and Crew, Enemies, Pirates, Robbers by land or sea, accidents to and damage and detention from Boilers, and of Machinery, Collisions, Stranding, Jettison, or from any act, neglect, default or error in judgment whatsoever of the Pilot, Master, Crew or other servants of the Shipowners in the management and/or the navigation of the Steamer, and all and every other Dangers and Accidents of the Seas, Rivers and Canals of whatever nature and kind whatsoever, before and during the said voyage always excepted. Steamer has liberty to call at any port or ports, in any order, or places, to bunker, or receive and/or deliver part cargo and/or passengers, or to deviate for the purpose of saving life or property, with leave to sail without Pilots, and tow or to be towed and assist vessels or to be assisted in all situations whatsoever. Salvage and/or towage for Owner's sole benefit. Ship not answerable for losses through explosion, bursting of boilers, breakage of shafts, or any latent defect in the machinery or Hull not resulting from want of due diligence by the Owners of the Ship or any of them or by the Ship's Husband or Manager.

21. All liability of Charterer shall cease on completion of loading and payment of advance, if any, Owner having lien on Cargo for freight, dead freight, and demurrage.

22. Extra duty (if any) in consequence of the Vessel not being British to be borne by Ship.

23. The Captain shall cover the hatch of each hold as soon as the loading into same has finished, and also all hatches when the loading or discharging has finished for the day, if the weather be wet or threatening; he shall also, during rain and snow, cover up all hatches by which loading or discharging is not actually going on. It is agreed that the Captain may send someone to check the weight of the cargo on delivery so as to avoid dispute, and weight as ascertained to be conclusive.

24. Owners accept the risk of detention which may arise if by reason of insufficient depth of water the steamer cannot get to a usual loading and/or discharging berth, as ordered, when same available.

25. Any time lost at discharging port owing to scarcity of wagons and/or labour is to be computed as lay days.

26. If through congestion at the Port of Discharge steamer is kept waiting off the port lay days are to commence to count as per Clause 6, but not until 36 hours from arrival (Sundays and holidays excepted).

27. In the event of any general strike, riot, insurrection, revolution or war, which may prevent the Shipment of Iron Ore under this Charter, the Owners in the event of no cargo having been loaded, have the option of cancelling this Charter or if any cargo has been loaded they have the right to proceed on the voyage with the cargo so loaded. In the latter case the time to count as lay days to be mutually agreed between Owners and Charterers.

S. Straker & Sons Ltd., 47-51 Great Suffolk Street, London, S.E.1.

FORM NO. 30-104

ANNEX IX

AMERICANIZED WELSH COAL CHARTER*

APPROVED BY
ASSOCIATION OF SHIP BROKERS & AGENTS (U.S.A.), INC.
NEW YORK—1953; AMENDED 1979.

.....19

It is this day mutually agreed, BETWEEN

Owner of the Steamship/Motorship
of , built at of
tons net register, or thereabouts, and about tons total deadweight inclusive of bunkers, classed
in length overall beam
draft now
and Charterer;

1. That the said vessel being tight, staunch and strong, and in every way fitted for the voyage, shall, with all possible dispatch, sail and proceed to

and there load, always afloat, in the customary manner from the Charterer, in such dock as may be ordered by him, a full and complete cargo of coal not exceeding tons nor less than tons, quantity at Vessel's option, and not exceeding what she can reasonably stow and carry, over and above her tackle, apparel, provisions and furniture; and being so loaded, shall therewith proceed, with all possible dispatch, to

or so near thereunto as she can safely get, and there deliver her cargo alongside any wharf and/or vessel and/or craft, as ordered, where she can safely deliver, always afloat, on being paid freight at the rate of U.S. currency per ton of 1,000 kilos on bill of lading quantity. The Owner shall furnish, if required, a statutory declaration by the master and other officers that all cargo received on board has been delivered. The freight is in full of loading, dumping and trimming, and all port charges, pilotages, agency fees and consulages on the vessel. All wharfage dues on the cargo to be paid by the Charterer.

2. The FREIGHT is to be paid

3. Notice of approximate quantity of cargo required and of vessel's expected date of arrival at port of loading to be given to Charterer or his agents at least days in advance.

4. The Cargo to be loaded into vessel

weather working day(s) of 24 consecutive hours, (excluding bunkering time, Sundays, custom house, colliery, legal and/or local holidays, and from noon on Saturday or the day previous to any such holiday to 7 a.m. on Monday or the day after any such holiday, unless used in which event only time actually used in loading cargo to count) commencing hours after vessel tenders and is ready to load, unless sooner worked, whereupon time is to commence and written notice is given of the vessel's being completely discharged of inward cargo and ballast in all her holds and ready to load, such notice to be given between business hours of 9 a.m. and 5 p.m., or 9 a.m. and 1 p.m. on Saturdays. Any time lost through riots, strikes, lockouts, or any dispute between masters and men, occasioning a stoppage of pitmen, trimmers or other hands connected with the working or delivery of the coal for which the vessel is stemmed, or by reason of accidents to mines or machinery, obstructions, embargo or delay on the railway or in the dock; or by reason of fire, floods, frosts, fogs, storms or any cause whatsoever beyond the control of the Charterer affecting mining, transportation, delivery and/or loading of the coal, not to be computed as part of the loading time (unless any cargo be actually loaded during such time). In the event of any stoppage or stoppages arising from any of these causes continuing for the period of six running days from the time of the vessel's being ready to load, this Charter shall become null and void; provided, however, that no cargo shall have been shipped on board the vessel previous to such stoppage or stoppages. In case of partial holiday, or partial stoppage of colliery, collieries or railway from any or either of the aforenamed causes, the lay-days to be extended proportionately to the diminution of output arising from such partial holiday or stoppage. If longer detained, Charterer to pay U.S. Currency per running day (or pro rata for part thereof) demurrage. If sooner dispatched, vessel to pay Charterer or his agents U.S. Currency per day (or pro rata for part thereof) dispatch money for time saved. No deduction of time shall be allowed for stoppage, unless due notice be given at the time to the master or Owner.

5. If any dispute or difference should arise under this Charter, same to be referred to three parties in the City of New York, one to be appointed by each of the parties hereto, the third by the two so chosen, and their decision, or that of any two of them, shall be final and binding, and this agreement may, for enforcing the same, be made a rule of Court. Said three parties to be commercial men.

6. The cargo to be loaded, dumped and trimmed by men appointed by the Charterer at the tariff rate of the port at vessel's expense.

7. The bills of lading shall be prepared in accordance with the dock or railway weight and shall be endorsed by the master, agent or Owner, weight unknown, freight and all conditions as per this Charter, such bills of lading to be signed at the Charterer's or shipper's office within twenty-four hours after the vessel is loaded. Master shall sign a certificate stating that the weight of the cargo loaded is in accordance with railway weight certificate. Charterer is to hold Owner harmless should any shortage occur.

8. The Act of God, the king's enemies, restraints of princes and rulers, and perils of the sea excepted. Also fire, barratry of the master and crew, pirates, collisions, strandings and accidents of navigation, or latent defects in or accidents to, hull and/or machinery and/or boilers always excepted, even when occasioned by the negligence, default or error in judgment of the pilot, master, mariners or other persons employed by the shipowner, or for whose acts he is responsible, not resulting, however, in any case from want of due diligence by the Owner of the ship, or by the ship's husband or manager. Charterer not answerable for any negligence, default, or error in judgment of trimmers or stevedores employed in loading or discharging the cargo. The vessel has liberty to call at any ports in any order, to sail without pilots, to tow and assist vessels in distress, and to deviate for the purpose of saving life or property, and to bunker.

9. The cargo to be discharged by consignee at port of discharge, free of expense and risk to the vessel, at the average rate of tons per day, weather permitting, Sundays and holidays and after noon on Saturdays excepted provided vessel can deliver it at this rate. If longer detained, consignee to pay vessel demurrage at the rate of U.S. currency per running day (or pro rata for part thereof). If sooner dispatched, vessel to pay Charterer or his agents U.S. currency per day (or pro rata for part thereof) dispatch money for time saved. Time to commence twenty-four (24) hours, Sundays and holidays excepted, after vessel is ready to unload and written notice given, whether in berth or not, even if vessel is already on demurrage, and the time allowable for discharging to be calculated on the basis of the bill of lading quantity. In case

of strikes, lockouts, civil commotions, or any other causes or accidents beyond the control of the consignee which prevent or delay the discharging, such time is not to count unless the vessel is already on demurrage.

10. Notice at port of discharge to be given in writing to consignee's agent on working days between the hours of 9 a.m. and 5 p.m., and 9 a.m. and noon on Saturdays.

11. Shifting time from anchorage place to loading or discharging berth is not to count even if vessel is already on demurrage.

12. Opening and closing of hatches at commencement and completion of loading and discharging shall be for Owner's account and time used is not to count.

13. Lighterage, if any, at discharge port to be at the risk and expense of consignees and time used to count as laytime.

14. In case of average, the same to be settled according to York/Antwerp Rules 1974. Should the vessel put into any port or ports leaky or with damage, the captain or Owner shall, without delay, inform the Charterer thereof. Captain to telegraph Charterer in case of putting in anywhere.

15. Vessel not to tender before 9 a.m. on and if vessel be not ready at loading port as ordered before 9 a.m. on , or if any wilful misrepresentation be made respecting the size, position or state of the vessel, Charterer to have the option of cancelling this Charter, such option to be declared on notice of readiness being given.

16. Vessel to be consigned to agents at port of loading, and to agents at port of discharge.

17. Overtime is to be for account of party ordering same. However, if ordered by port authorities, same is to be for Charterer's account Officers' and crew overtime expenses to be for Owner's account.

18. Extra insurance, if any, due to vessel's age, flag, classification or ownership shall be for Owner's account.

19. No cargo is to be loaded in deeptanks or similar places inaccessible to reach by grabs.

20. Any damage by stevedores shall be settled directly between Owner and stevedores.

21. Owner shall, at his risk and expense, comply with all applicable rules, regulations and laws relevant to water and/or air pollution at ports of loading and discharging. In cases where vessel calls at a U.S. port, Owner warrants to have secured and carry on board the vessel a Certificate of Financial Responsibility as required under U.S. law.

22. All bills of lading shall include the following three clauses:

NEW JASON CLAUSE: In the event of accident, danger, damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods.

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if such salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods, and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery.

CLAUSE PARAMOUNT: This bill of lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, approved April 16th, 1936, which shall be deemed to be incorporated herein, and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said Act. If any terms of this bill of lading be repugnant to said Act to any extent, such term shall be void to that extent but no further.

NEW BOTH-TO-BLAME COLLISION CLAUSE: If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact.

23. PROTECTION & INDEMNITY BUNKERING CLAUSE: The vessel in addition to all other liberties shall have liberty as part of the contract voyage and at any stage thereof to proceed to any port or ports whatsoever whether such ports are on or off the direct and/or customary route or routes to the ports of loading or discharge named in this Charter and there take oil bunkers in any quantity in the discretion of Owners even to the full capacity of fuel tanks, deep tanks and any other compartment in which oil can be carried whether such amount is or is not required for the chartered voyage.

24. C.S.U.K. WAR RISKS CLAUSES 1 & 2: No bills of lading to be signed for any blockaded port and if the port of discharge be declared blockaded after bills of lading have been signed, or if the port to which the ship has been ordered to discharge either on signing bills of lading or thereafter be one to which the ship is or shall be prohibited from going by the government of the nation under whose flag the ship sails or by any other government, the Owner shall discharge the cargo at any other port covered by this Charter Party as ordered by the Charterers (provided such other port is not a blockaded or prohibited port as above mentioned) and shall be entitled to freight as if the ship had discharged at the port or ports of discharge to which she was originally ordered.

The ship shall have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination, delivery or otherwise howsoever given by the government of the nation under whose flag the vessel sails or any department thereof, or any person acting or purporting to act with the authority of such government or of any department thereof, or by any committee or person having, under the terms of the war risks insurance on the ship the right to give such orders or directions and if by reason of and in compliance with any such orders or directions anything is done or is not done, the same shall not be deemed a deviation, and delivery in accordance with such orders or directions shall be a fulfillment of the contract voyage and the freight shall be payable accordingly.

25. Charterer shall have the privilege of transferring part or whole of the Charter Party to others, Charterer guaranteeing to the Owner due fulfillment of this Charter Party.

26. The Charterer's liability shall cease as soon as the cargo is shipped, and the freight, dead freight and demurrage in loading (if any) are paid, the Owner having a lien on the cargo for freight, demurrage and average.

27. Penalty for non-performance of this agreement, proved damages, not exceeding the estimated amount of freight.

28. An address commission of percent on the gross amount of freight, dead freight and demurrage is due by the vessel and Owner to the Charterer on payment of freight.

29. A commission of percent on the gross amount of freight, dead freight and demurrage is due on payment of freight by the vessel and Owner to

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